



IMPACTING
LIVES

Integrated Report &
Financial Statements **2025**

ABOUT OUR 2025 INTEGRATED REPORT

At Diamond Trust Bank Group, our purpose is to improve the quality of lives of the people and communities we serve. The 2025 Integrated Report and Financial Statements reflects how DTB continues to deliver on this purpose by creating sustainable value across East Africa.

Operating across Kenya, Tanzania and Uganda, DTB plays a critical role in supporting economic growth, enabling businesses to expand, and helping to build more secure futures. Through responsible lending, innovative digital solutions and strong partnerships with our stakeholders, we empower entrepreneurs, facilitate trade and expand financial access across the region.

Our commitment to "Impacting Lives" goes beyond financial performance. It reflects the tangible outcomes our solutions create for people, businesses and communities. From enabling small businesses to grow and supporting home ownership, to expanding access to digital banking and strengthening financial inclusion, DTB's work contributes directly to socio-economic development across the markets we serve.

At the same time, sustainability remains a core priority for the Group. As the region continues to navigate climate risks and evolving environmental expectations, DTB is actively integrating sustainability considerations into its strategy, risk management and lending decisions. Through responsible financing, climate-related risk management frameworks and investments that support environmental resilience, the Bank is working to ensure that economic growth is both inclusive and sustainable.

This Integrated Report presents both our financial and non-financial performance, demonstrating how DTB connects strategy, governance, sustainability and innovation in the creation of long-term value. Guided by the International Integrated Reporting Framework (IIRF) the report highlights the links between our material issues, stakeholder priorities and strategic objectives.

Through the stories, insights and performance indicators presented throughout this report, we demonstrate how DTB continues to create meaningful impact empowering people, strengthening communities and supporting sustainable progress across East Africa.

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ABOUT OUR 2025 INTEGRATED REPORT

DTB Group is pleased to present the 2025 Integrated Report and Financial Statements, in which we present our financial and non-financial information in the spirit of transparency and accountability.

Through this Integrated Report, which has been guided by the International Integrated Reporting Framework (IIRF), we aim to provide our stakeholders with a holistic view of how we apply integrated thinking to create and preserve value and to fulfil our goal of impacting lives. The Report highlights the links between our material issues, strategy, governance and performance.

Scope and Boundary



This Report covers the period 1 January 2025 to 31 December 2025, providing information relating to the Group's strategy, governance, business model, material matters and risks, stakeholder engagement, sustainability initiatives, financial performance and the future outlook.

Reporting Process Overview



Our Report was developed through a series of board, management, employees and other stakeholder engagements and discussions as well as appropriate decisions and approvals. The process combined integrated thinking and reporting, enabling us to identify the material issues affecting our six capitals and to articulate how we create value, shape our business strategy and advance our sustainability objectives.

Our Business Operations



DTB Group includes Diamond Trust Bank Kenya Limited and its subsidiaries: Diamond Trust Bank Uganda Limited; Diamond Trust Bank Tanzania PLC and Diamond Trust Bancassurance Intermediary Limited.



BASIS OF PREPARATION

This Report has been prepared in accordance with the International Integrated Reporting Framework and in reference to global reporting standards including the Global Reporting Initiative (GRI) and the newly released ISSB Frameworks, IFRS S1 and IFRS S2. This approach emphasises our commitment to excellence in corporate reporting and corporate governance.

This Report is further guided by the principles and requirements contained in:

- The Kenya Companies Act, 2015
- Central Bank of Kenya (CBK) Prudential Guidelines
- The Capital Markets Authority (CMA) Code of Corporate Governance for Issuers of Securities to the Public, 2015
- IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)
- Nairobi Securities Exchange (NSE) ESG Disclosures Guidance

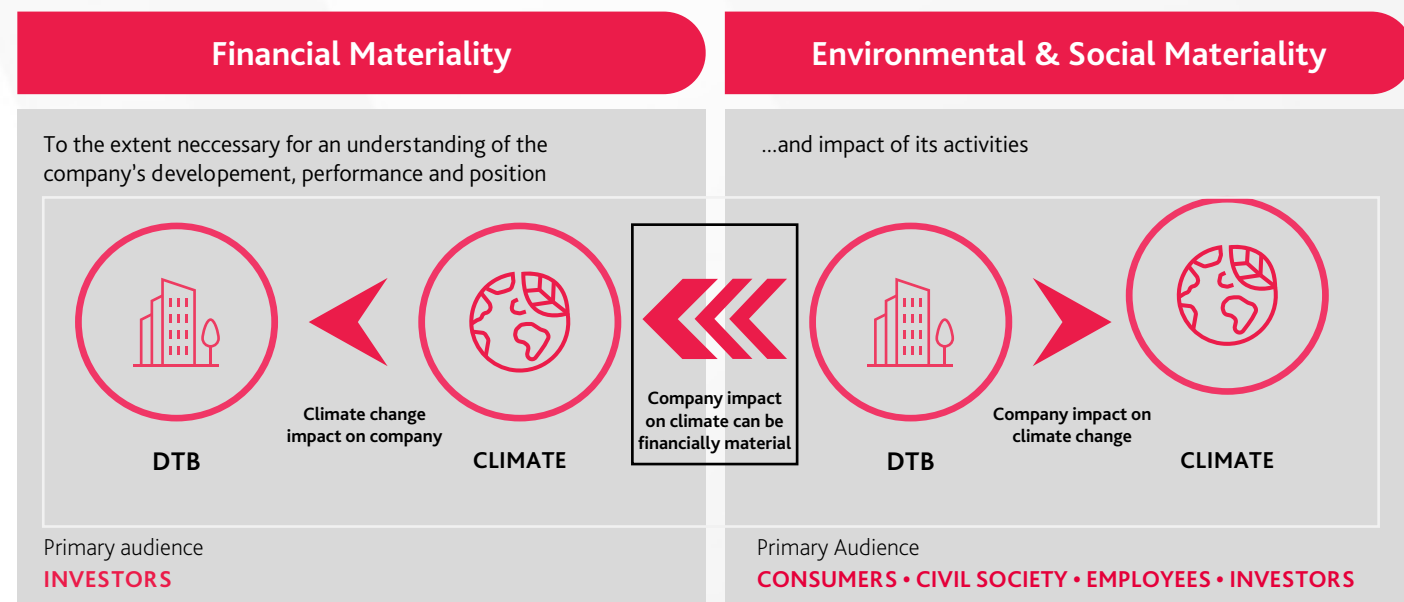
- Central Bank of Kenya (CBK) Guidance on Climate-Related Risk Management
- The Institute of Certified Public Accountants of Kenya (ICPAK) Roadmap for the Adoption of IFRS Sustainability Disclosure Standards in Kenya

Our Assurance Process - The DTB integrated reporting process uses a mix of internal and external assurance providers which include our internal audit function, KPMG Kenya for the financial statements and Scribe Services Kenya for the governance audit. However, forward-looking statements have not been reviewed or reported upon by the Group's external auditors.

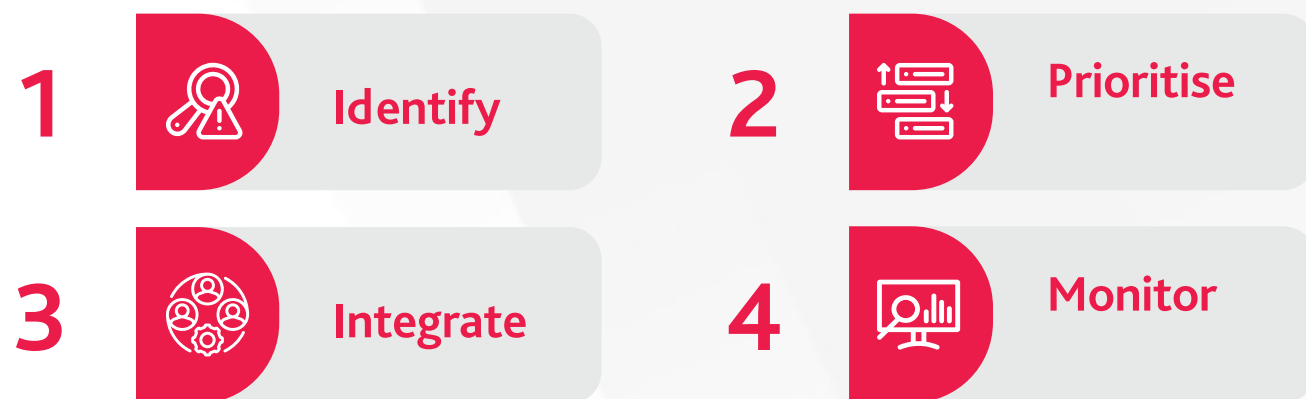
We continue to enhance the accuracy, comparability and consistency of our data, enabling our stakeholders to track our progress and evaluate changes in our performance over time. Looking ahead, we plan to seek independent external assurance for our sustainability related information and disclosures.

OUR MATERIALITY DETERMINATION APPROACH

In this report, we have used the principle of double materiality to identify our material matters. This approach enabled us to consider both financial materiality—how sustainability issues affect the Group's financial performance and value creation—and impact materiality, which examines the effects of our activities on society, the environment and the broader economy. Through this process, we were able to prioritise issues that are significant to the Group, our stakeholders and the wider community.



We followed a four-step approach to determine DTB's material matters. The material matters derived from this process are essential to our business growth strategy and will be frequently seen in this report. This report examines the risks and opportunities that have a significant impact on our capitals and our capacity to create value for all stakeholders.



A detailed overview of our materiality assessment and key material matters is presented in "Our Impact Network" section from pages **65** to pages **77**.

APPROVAL OF THE ANNUAL INTEGRATED REPORT

The Board of Directors acknowledges its responsibility to ensure the integrity of this Integrated Report which, in the Board's opinion, addresses the activities, material issues, relationships and performance of the Group. This report, together with the annual financial statements of the Group for the year ended 31 December 2025, were approved by the Board of Directors of DTB Kenya on 23 March 2026 and signed on its behalf by:

Linus Gitahi
Chairman

Murali Natarajan
Managing Director & Chief Executive Officer, Kenya

FORWARD-LOOKING STATEMENTS & DISCLOSURE

This Integrated Report includes forward-looking statements which could have an impact on the future financial position and results of the Group. Forward-looking statements are not statements of fact. They are made by the Group based on current estimates, projections, expectations, beliefs and assumptions regarding its future performance. No assurance can be given that forward-looking statements will be correct, hence undue reliance should not be placed on such statements.

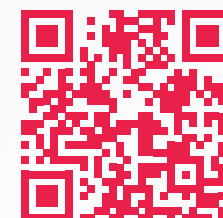
These statements, by their nature, involve risk and uncertainty as they relate to events and depend upon circumstances that may or may not occur in the future. Factors that could cause actual future results to differ materially from those in the forward looking statements include, but are not limited to, changes in

- global and national economic conditions,
- our operating environment,
- future strategies as contained in our strategic priorities and plans,
- interest and exchange rates,
- credit conditions and the associated risks of lending,
- actual cash collections,
- gross and operating margins,
- capital management and
- competitive and regulatory factors.

The Group does not undertake to update or revise any of these forward-looking statements publicly, whether to reflect new information or future events. The forward-looking statements have not been reviewed or reported upon by the Group's external auditor. The Group does not, therefore, assume responsibility for any loss or damage arising from the reliance by any party thereon, including but not limited to, loss of earnings, profits, or consequential loss arising from damage.

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Scan QR code to download the digital 2025 Integrated Report and Financial Statements

TURNING OPPORTUNITY INTO PROGRESS



We are committed to enabling access to assets that empower businesses, support livelihoods, and drive the economy forward.

WHO WE ARE

- 11 Overview of DTB
- 16 Our operating environment
- 22 Chairman's reflections
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OVERVIEW OF DTB

With a history spanning nearly **80** years,

DTB Group has established itself as one of East Africa's largest and most prominent financial services organisations, operating across **Kenya, Tanzania and Uganda.**

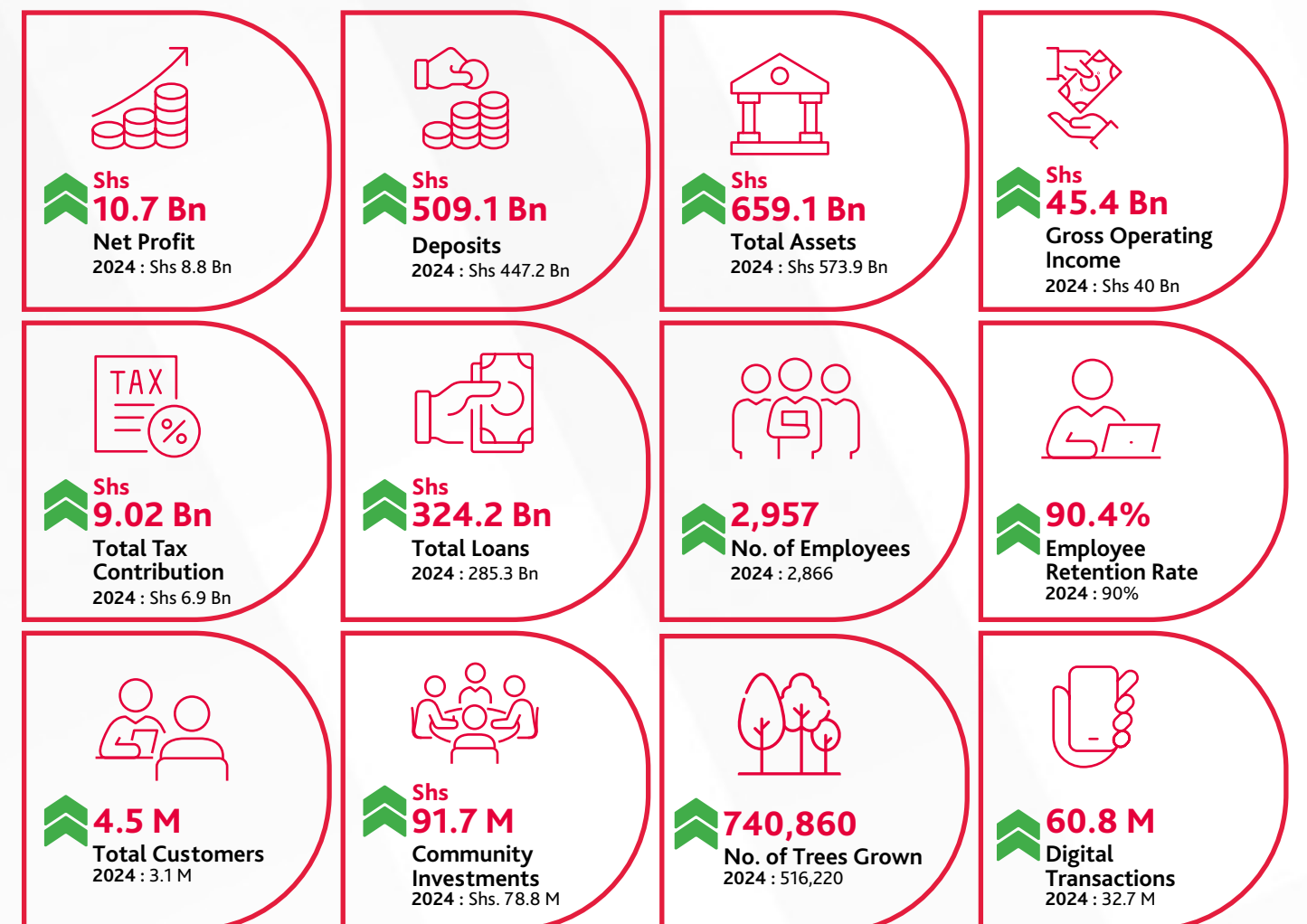
As a tier-one banking group in the East African region, we provide an extensive range of banking and insurance solutions designed to empower our customers and enhance their quality of lives. Our offerings are tailored to meet the needs of various customer segments, including retail, business, corporate and institutional customers.

As DTB Group, we are committed to developing, attracting and retaining top talent by fostering a positive work culture that values diversity and inclusion. Our heritage and values are reflected in our brand promise

'Achieve More.' We are dedicated to building strong partnerships with businesses and individuals, aiming to generate wealth and grow while making a meaningful social and economic contribution in the markets where we operate.

DTB is an affiliate of the Aga Khan Development Network (AKDN). DTB Kenya is listed on the Nairobi Securities Exchange (NSE) and its head office is located at DTB Centre on Mombasa Road in Nairobi, Kenya.

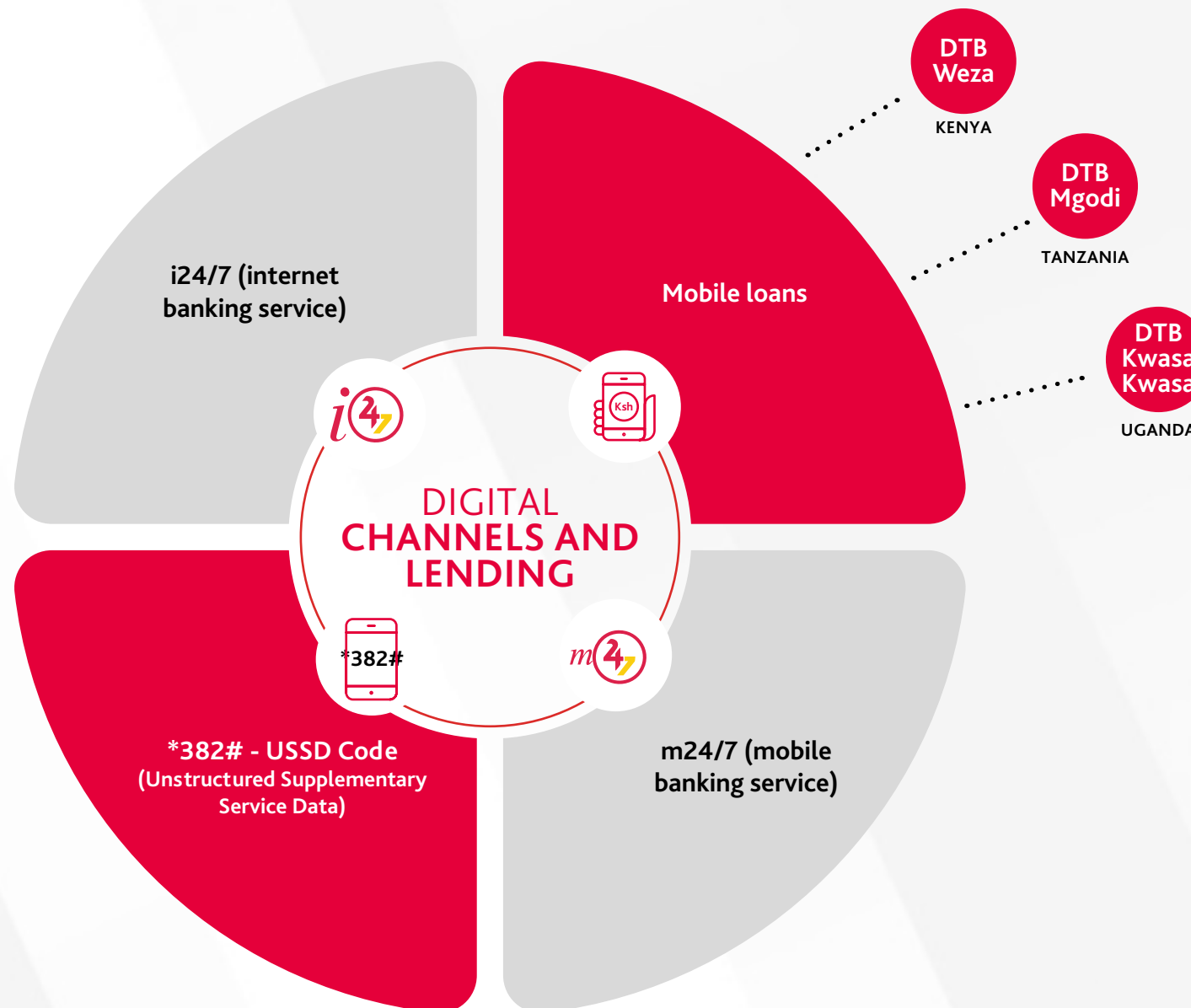
DTB AT A GLANCE



OUR PRODUCTS

DTB offers a variety of products and services that are tailored to meet the unique needs of our retail, business and corporate customers in Kenya, Tanzania and Uganda.

OUR DEPOSITS & TRANSACTIONAL ACCOUNTS



CREDIT FACILITIES

- **Hire-purchase asset financing:** Enables businesses to acquire new and second-hand/reconditioned assets.
- **'Beba Leo' asset financing:** 100% financing for SMEs to acquire brand-new vehicles for business or family use.
- **Overdrafts:** Help customers meet their working capital requirements.
- **Scheme lending:** Check-off loans for corporate and public sector customers' employees.
- **Supply chain financing:** Facilitates financing for customers' invoices to boost their working capital.
- **Insurance premium financing:** Premium payments made directly to an underwriter on behalf of customers.
- **Digital loans:** Enables customers to access credit facilities conveniently.
- **Leasing:** A limited offer to individuals and companies in partnership with leasing companies.
- **Mortgages:** Enables business owners, employed and self-employed individuals to purchase and/or develop property and land with up to 105% mortgages financing.
- **Term loans:** Secured facility for individuals and businesses.



**INTERNATIONALLY
ACCEPTED CARDS**

- Debit cards
- Credit cards
- Multi-currency prepaid cards



TRADE FINANCE

- Letters of credit
- Collections
- Bank guarantees



CUSTODIAL BUSINESS

- **Safekeeping of investments and documents:** This includes safekeeping of all the investments and documentation on behalf of the customer.
- **Central Depository Services (CDS):** Facilitate and maintain depository accounts with both the Central Depository & Settlement Corporation (CDSC) and the Central Bank of Kenya (CBK).
- **Settlement services:** These include settlements of trades in equities, government paper and corporate debt on behalf of customers.
- **Corporate actions processing:** This includes, but is not limited to, interest/maturity payments, dividend collection, rights issues, bonus issues, IPOs, AGMs and EMGs.
- **Reporting:** This includes cash and asset reporting to customers and regulatory reporting.



BANCASSURANCE

Diamond Trust Bancassurance Intermediary Limited (DTBI) in Kenya acts as an agent for 29 underwriters in Kenya and Network Insurance Agency Limited (NIAL) in Uganda to sell:

- General insurance
- Medical insurance

OUR MARKETS

At DTB, our work revolves around our customers. We work hard towards providing exceptional services that are tailored to the unique customer needs in each of the countries where we operate. Our goal is to offer customer-tailored and focused banking services that are easily accessible and available through our branch networks, digital platforms and channels. We strive for customer centricity in this competitive market through our

innovative products, services, channels and customer experiences that enhance our competitiveness.

The dedication and commitment of our people to delivering quality service and ensuring customer satisfaction has firmly established our reputation as a trusted financial partner.

VISION, MISSION, VALUES



OUR VISION

Enabling people to advance with confidence and success.



OUR MISSION

To make our customers prosper, our staff exel and create value for our stakeholders.



OUR PURPOSE

To improve the quality of lives of all our stakeholders in a sustainable and impactful way.



OUR VALUES

Our values are the guiding principles that shape our work culture and are reflected in our attitudes and behaviours as we create value for our people and our stakeholders. They influence how we operate and engage with others, motivating us to act with purpose, integrity and in ways that foster meaningful connections and lasting relationships. Over the years, we have invested in the key foundations that underpin our strategy:

- Our people, by continuously enriching their skills.
- Re-architecting ourselves to make technology and innovation our backbone.
- Fostering a customer-centric culture.

Integrity - Be ethical and fair

- We honour our commitments and do what is right.
- We are fair, respectful and honest at all times.
- We are ethical in our decisions and interactions.
- We take responsibility for our actions.
- We are prudent and responsible with the assets entrusted to DTB.

Customer Centric - Deliver great experiences

- We value our customers and develop relevant products and services to meet their existing and emerging needs.
- We strive to provide exceptional service to all we serve.
- We understand and respect our customers.
- We deliver solutions that add value to our customers' lives.

- We consider the impact of our policies and decisions on our customers.
- We endeavour to be fully transparent with our customers.

Value People - Respect, empower, appreciate

- We treat our people equitably and make decisions on merit.
- We invest in people and provide opportunities for learning and growth.
- We empower people to do what is needed for success.
- We provide a positive and collaborative work environment.
- We celebrate our successes and recognise people for their contributions.
- We encourage and embrace diversity and inclusion.

Progressive - Innovate and challenge

- We challenge our thinking to raise the bar.
- We encourage our team members to question the status quo.
- We innovate and adapt to change.
- We positively impact and serve the communities in which we live.

Excellence - Be your best

- We take ownership of what we do.
- We relentlessly pursue quality without compromise.
- We consistently adhere to measurable standards and look for ways to exceed them.
- We benchmark against the best.

DTB DIFFERENTIATORS

DTB Group sets itself apart in the market and maintains its competitive edge by uniting visionary leadership with strong relationships and an unwavering customer service obsession.



1. SOLID BRAND EQUITY

DTB's solid brand equity, built on the foundation of our long-standing and diverse shareholders and entrenched through our eight decades of sustained and impactful presence in East Africa. This has enabled DTB to provide leadership that demonstrates foresight, innovation, resilience, agility and corporate responsibility in responding to market shifts and evolving customer needs, setting DTB apart and driving the Group's success.

This is evident in our tailored innovative solutions, enhancements in digital transformation and commitment to sustainability. By fostering trust and resilience, DTB has established itself as a leader in the industry. Through its visionary leadership, DTB has built trust and earned a distinguished reputation in the financial services sector, enabling us to build enduring relationships with our customers and other stakeholders throughout the communities and markets we serve.

2. STRONG RELATIONSHIPS

Over the years we have prioritised building strong, enduring relationships with customers, vendors, business partners, regulators and industry peers creating a solid network built on trust, respect and collaboration. These connections have allowed us to access unique opportunities, develop co-branded solutions and earn the loyalty of our customers. It is due to our strong relationships that we can offer an enormous level of support to individuals and businesses in pursuit of their goals of achieving socio-economic relevance, fostering innovation and contributing to community service projects.

3. CUSTOMER SERVICE OBSESSION

We are dedicated to delivering exceptional customer service by consistently placing customer satisfaction at the forefront and tailoring experiences to each individual. In a sector where service can sometimes feel impersonal, we make our customers' needs our top priority. We go beyond routine transactions to foster meaningful connections—whether through innovative technology, attentive support teams, or valuable customer insights. As a people-focused organisation, we believe in open communication, always welcoming feedback that helps us enhance our offerings and fulfil our promise of exceptional value.

OUR OPERATING ENVIRONMENT

Economic activity in Sub-Saharan Africa (SSA) is gaining momentum, supported by accommodative financial conditions, declining debt burdens and renewed investment flows. Lower inflation, currently at a median of 4% and more stable currencies, have allowed central banks across the region to ease financial conditions, stimulating consumption and investment. At the same time, improved global sentiment, lower yields, softer commodity prices and a weaker US dollar have boosted capital inflows while easing trade and debt pressures. Confidence has strengthened as a result. The World Bank now projects SSA GDP growth to rise to 3.8% in 2025, up from 3.5% from 3.3% in 2024.

East African economies remain among the region's strongest performers, underpinned by favourable weather conditions, robust agricultural and mineral exports, increased investment activity, easing inflation and a rebound in domestic demand. Economic diversification efforts continue to support resilience. East Africa's GDP growth is estimated at around 5.5% in 2025, a decent shot above SSA and global averages. However, performance varies across countries, largely reflecting differences in fiscal space. Kenya has shown weaker momentum, while Uganda and Tanzania continue to attract strong foreign direct investment, particularly in the energy and extractive sectors.

Monetary policy was broadly accommodative, although Kenya's wider fiscal deficit limited policy transmission as liquidity flows remained towards the government. Credit growth in Kenya (6.4%) lagged Uganda (12%) and Tanzania (23.5%). Capital flows into the region have strengthened on the back of economic recovery, moderate inflation, narrowing current account deficits, fiscal realignment and debt-stabilisation efforts, lower energy prices and improving sovereign rating outlooks. These factors have contributed to stronger and more stable currencies, bolstering both investor and consumer confidence.



East Africa
GDP growth is
estimated to
have grown by

5.5%

in 2025

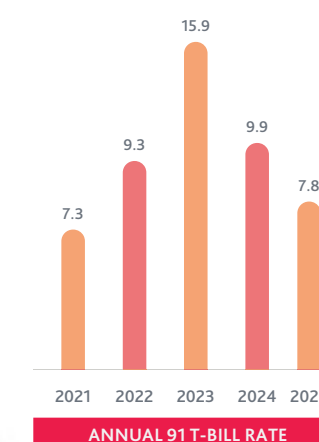
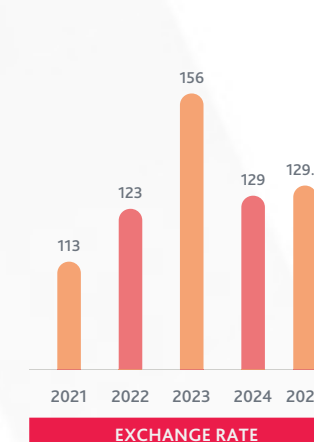
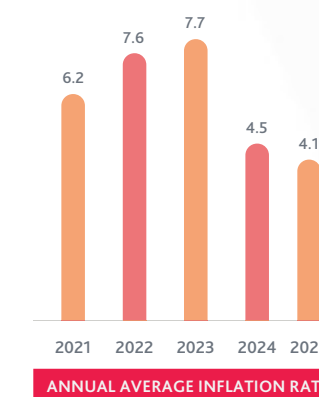
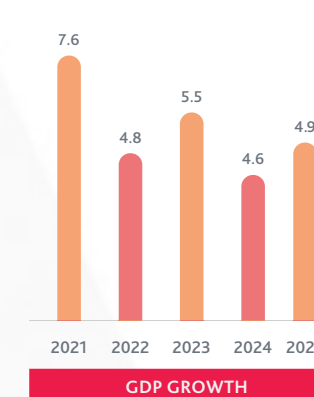
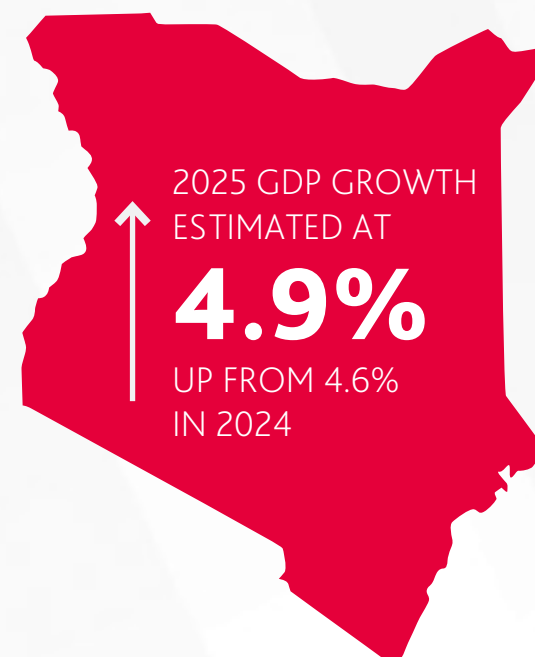
KENYA

The Kenyan economy remained strong and resilient in 2025, with GDP growth estimated at 4.9%, up from 4.6% in 2024. Growth was broad-based. The industrial sector, particularly construction, rebounded after the government scaled up affordable housing projects and partially settled some pending contractor payments. Agriculture performed robustly on the back of favourable weather, which also strengthened agro-processing and export activity, although dry weather in Q4, was a headwind. The services sector continued to expand, albeit at a slower pace due to softer consumer demand, but showed signs of strengthening towards year end.

Inflation stayed below the Central Bank of Kenya's 5% midpoint target, supported by stable food supplies, moderate energy prices and a stable exchange rate. This provided room for the central bank to ease monetary policy, cutting interest rates by 225 bps to 9.0% and reducing the CRR by 100 bps to 3.25%. Following successive rate cuts, lending rates eased to 15.0% (Dec 2024-17.2%). As a result, credit growth recovered to 6.5%, the fastest pace in nearly 2 years.

Fiscal conditions also stabilised. The government successfully refinanced near-term external debt maturities to beyond 2032, reducing rollover risk and improving the sovereign credit outlook, which prompted upgrades from major rating agencies. However, revenues continue to underperform, keeping fiscal deficits elevated (5.9% in 2025) and sustaining high borrowing needs. Softer global financial conditions are expected to support domestic fiscal space with softer debt service costs and a more stable interest-rate environment.

With well anchored inflation expectations, a stable exchange rate and a more conducive global backdrop, the CBK is expected to maintain a growth supporting policy stance. Government spending is also likely to remain supportive into 2026 as the administration accelerates project completion. Kenya's medium-term outlook remains broadly positive, driven by economic diversification, regional integration, digital innovation and ongoing public-sector reforms. Nonetheless, fiscal pressures, global geopolitical spillovers, exchange-rate vulnerabilities and climate-related shocks remain key risks that require close monitoring.



TANZANIA

Tanzania's economy maintained strong momentum in 2025 and is projected to grow by 6%, supported by solid performance in agriculture, mining and quarrying, construction and financial services. Inflation remained low and stable within the 3–5% target range, driven by declines in food prices and moderate energy costs. To support growth, the Bank of Tanzania lowered the CBR by 25 bps to 5.75%. Liquidity conditions improved, with money supply (M3) expanding to 26.3% in the year, while private-sector credit grew 23.5%.

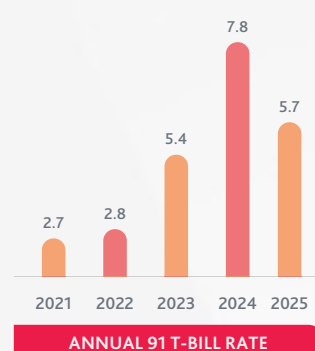
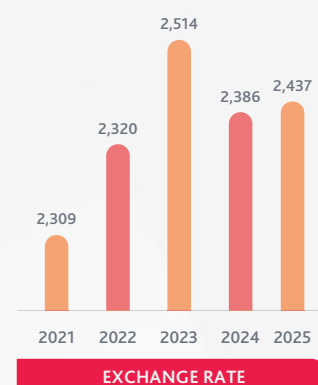
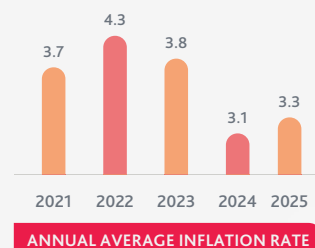
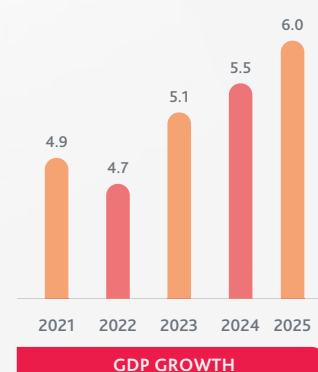
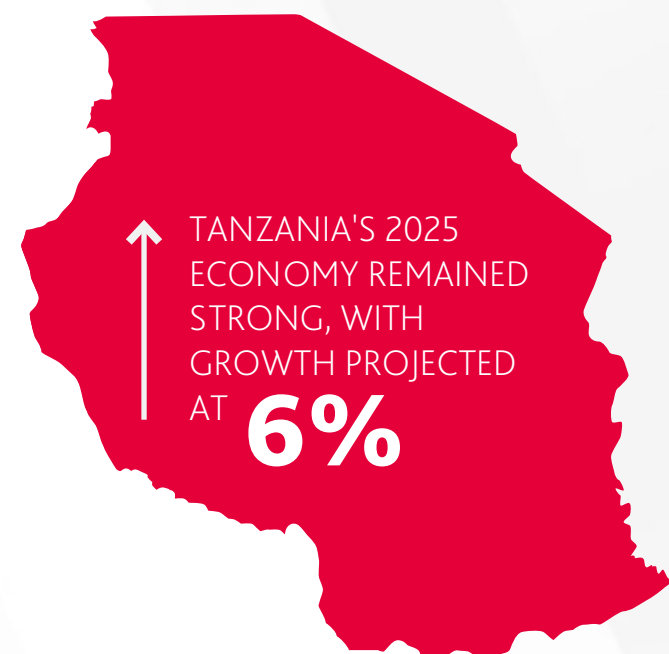
FX liquidity strengthened, helping keep the shilling relatively stable, with only a 1.8% depreciation. Strong inflows from cash crops, gold and tourism, combined with softer import demand, supported this stability. Foreign reserves remained robust at USD 6.3 billion, equivalent to more than five months of import cover.

Fiscal performance improved, supported by strengthened tax administration and compliance. The fiscal deficit narrowed to 3.0% of

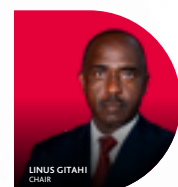
GDP in FY2025/26. The current account deficit eased to 2% of GDP by December 2025 (from 3.8% a year earlier), reflecting higher earnings from traditional crop exports, gold and tourism.

Large-scale investments in roads, ports, the Standard Gauge Railway and energy infrastructure continue to enhance connectivity and reduce logistics costs. Energy access is expanding and growing digital adoption, deepening financial inclusion, particularly through fintech solutions.

Post election unrest in late 2025 temporarily weighed in on investor sentiment, affecting FDI and tourism inflows. Nonetheless, Tanzania's medium-term outlook remains favourable, supported by infrastructure investment, natural resource potential and a growing consumer market. Key risks include climate shocks, external financing pressures and evolving regulatory frameworks—particularly in the mining sector.



BOARD OF DIRECTORS



UGANDA

Uganda's growth momentum remained strong in 2025, accelerating to 6.4% in 2025 from 6.3% in 2024, supported by rising private investment, sustained progress in the extractives sector and targeted infrastructure spending. Growth is expected to accelerate to 7.0% in 2026 as oil production advances and associated infrastructure nears completion, creating potential for first-oil exports later in the year.

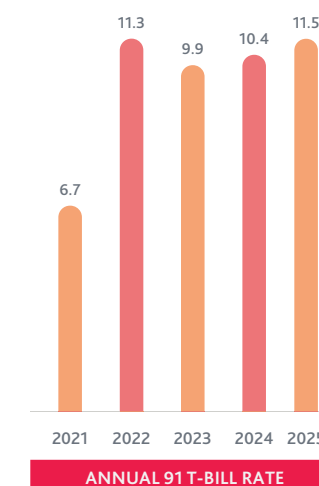
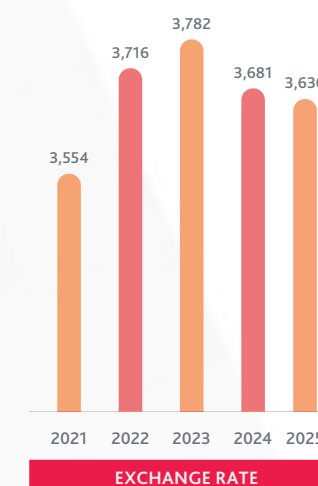
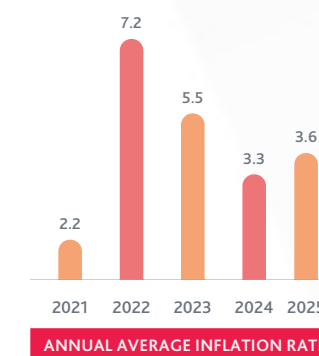
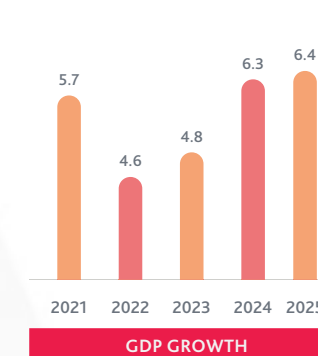
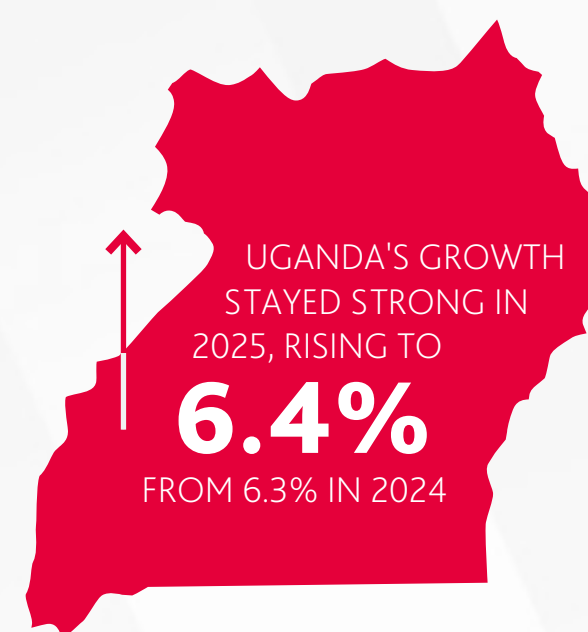
Meanwhile, inflation eased and averaged 3.6%, well below the 5% target, helped by subdued food prices, stable energy costs and a tight monetary stance but may progressively converge toward the medium-term target as growth in money supply accelerates.

The Ugandan shilling remained resilient, appreciating by 1.4%, supported by stable global financial conditions and enhanced US dollar liquidity from FDIs and renewed donor support. However, the current account deficit widened to 6.8% of GDP reflecting high capital goods imports linked to infrastructure and oil development, although the increased

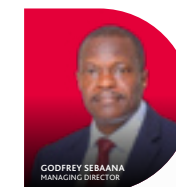
external project financing has provided a natural hedge, shielding the exchange rate. Exports remain concentrated in coffee, gold, fish and emerging manufacturing segments.

Fiscal pressures remain elevated. The FY2024/25 fiscal deficit widened to 7.6% of GDP, exceeding the 5.6% target due to recurrent overspending and weaker external financing. Public debt rose to USD 32.3 billion by June 2025 (up 26.2% year-on-year), with debt service consuming around 65% of total revenue. The government continues to prioritise fiscal consolidation, revenue mobilisation and stronger debt management practices.

Uganda's medium-term outlook is positive, anchored by the oil sector, infrastructure development and favourable demographic trends that support consumption and services growth. Key risks include commodity-price volatility, tighter global financing conditions, climate shocks and governance concerns.



BOARD OF DIRECTORS



LOOKING FORWARD 2026 OUTLOOK

East Africa is on track to remain one of the strongest growing regions on the continent in 2026. The economy is expected to expand by about 5.5-6.0%, supported by continued investment in infrastructure, rising foreign investment and exports, particularly in energy and mining—and a generally resilient private sector.

The region's growing population will keep fueling consumer demand, even as income growth slows in some areas. At the same time, inflation is expected to remain low, helped by better food supply, more stable energy prices and stronger local currencies, lifting purchasing power especially among households.

Encouragingly, financial conditions across the region are also improving as central banks ease monetary policy and governments enhance spending as a fiscal outlook improves. As a result, access to credit is improving, allowing the Group to provide continued support to households and businesses.

At the same time, currency stability across the region has had a welcome respite to balance sheets, enhancing predictability. Stronger export earnings, with rising capacity in mining and oil and gas sectors, healthier foreign exchange reserves alongside a soft US dollar and steady inflows of investment are expected to sustain this stability, barring any fresh shocks.

Overall, the region's outlook for 2026 remains upbeat. Challenges including limited (albeit improving) fiscal headroom, global economic

uncertainty and fluctuations in commodity prices will persist but East Africa's improving fundamentals and diversified growth sources put it in a strong position to maintain the momentum.

The operating environment is therefore expected to stay supportive, characterised by stable growth, improved liquidity, stronger confidence and steady foreign exchange markets. We expect demand for credit to continue rising as interest rates decline and the operating environment improves. However, business models will still need to stay agile as they navigate potential risks, including sovereign risk exposure - currently low-moderate, evolving regulations and rapid digital transformation.

Moreover, the geopolitical crisis in the Middle East is distorting global oil supply, and reorienting supply chains in a way that is disruptive to the global economy. While baseline expectations suggest the conflict could be short-lived, possibility of extended disruptions may keep markets volatile. Prolonged oil prices above \$100, supply constraints & soaring logistics and insurance costs will hurt local industries, trigger inflation, reignite trade balance pressures, FX volatility and raise cost of financing for the sovereigns.

As a group, our focus will remain towards sustaining quality growth, strengthening our financial resilience, investing in stronger risk management frameworks, accelerating digital services and ensuring that business models are well aligned to capitalise on the opportunities and synergies across our diverse markets.



Overall, the region's outlook for 2026 remains upbeat. Challenges including limited (albeit improving) fiscal headroom, global economic uncertainty and fluctuations in commodity prices will persist but East Africa's improving fundamentals and diversified growth sources put it in a strong position to maintain the momentum.



OUR FOCUS FOR 2026
IS SIMPLE: DEEPEN IMPACT,
EXPAND OPPORTUNITY,
AND ENABLE MORE PEOPLE
TO MOVE FORWARD
WITH CONFIDENCE





CHAIRMAN'S REFLECTIONS

LINUS GITAH, MBS

East Africa remains one of the most promising growth frontiers, in Africa and globally, underpinned by a strong natural resource base, diversified economies, improving institutional strength and a young, growing and entrepreneurial population that continues to support demand and productive capacity. In 2025, after a slow start, growth momentum strengthened as macroeconomic conditions improved, supported by strengthening domestic demand, lower inflation, stable exchange rates, stronger exports, and declining interest rates, particularly in our principal market, Kenya.

This progress was despite ongoing global geopolitical uncertainty, climate related shocks, shifting local socio-political dynamics and general elections in Tanzania (October 2025) and Uganda (January 2026), that delivered continuity to businesses. The region's ability to navigate these challenges highlights its resilience and adaptability to the increased complexities of the operating landscape.

Looking ahead, crystallisation of geopolitical risks - including those exacerbated by the most recent events in the Middle East - and the attendant changes in global sentiment could test our resilience as supply chains, markets and macros diverge from baseline expectations. For

import-dependent East Africa, higher fuel prices and supply constraints are likely to increase inflation, trigger exchange rate volatility and potentially pivot central banks towards financial tightening, negating some of the recent economic gains. Travel disruptions could affect tourism, while instability in the Middle East – especially if it persists – may dampen remittance inflows, an increasingly important growth driver. At the same time, higher import bills and renewed capital outflows may widen current account deficits, re-igniting pressure on domestic currencies.

While the current buffers, especially enhanced FX reserves, may help the East African economies we operate in to absorb the shock, a prolonged crisis may worsen economic prospects, necessitating more difficult adjustments. As for other players in the banking sector, for our franchise, a prolonged crisis may therefore impact balance sheet growth, quality of assets and cost of funds if central banks pivot to tightening monetary policy.

Despite the shock, we remain confident in the long-term prospects of our markets and in the agility and resilience of our business model. Guided by our purpose of improving the quality of lives of all our

stakeholders in a sustainable and impactful way, we will continue to promote financial inclusion and intermediation, as a critical enabler of economic empowerment and enterprise growth across the region.

During the year, the Group made strong progress in delivering its DTB 3.0 Business Growth Strategy. We expanded our customer base by 1.4 million, bringing our total customer base to 4.5 million in 2025, an eight-fold growth since 2022 when we developed our current strategy.

We have also begun to harness the fruits of enterprise digitisation, with notable gains in operational efficiency, risk management and customer experience, critical for delivering long-term value through improved experience by our customers.

Sustainability remains central to our strategy. We continue to embed responsible business practices across our operations with notable milestones and building blocks being put in place in the areas of Climate Action, Sustainable Finance, Partnerships and Citizenship activities.

Our strategy - centred on achieving socio- economic relevance across our presence markets - is anchored on three pillars: Customer Reach, Digital Transformation, and Sustainability Excellence. These priorities position the Group to remain resilient and adaptable in the increasingly complex environment shaped by evolving markets, a fluid risk environment, regulatory changes and other market forces.

Our Group structure is strengthening our operating model, by enhancing the coordination across markets, while preserving the unique strengths of each subsidiary. This structure supports better capital allocation, improved governance and risk management, augment regional customer relationships, improved operational efficiencies and greater alignment of technology systems across the group, enabling us to scale-up more effectively.

For the year, the Group delivered strong returns to our shareholders return to equity increasing to 10.3%. Reflecting our strong capital and liquidity position, the Board has proposed a first and final dividend of Shs. 9 per share, for the year, which is a 28.6% increase from the previous year. At this level, the dividend payout ratio has also progressively improved to 26.7% , compared to 25.6% for the FY2024.

We are confident that continued execution of our DTB 3.0 Business Growth Strategy, supported by strong governance, resilient risk management frameworks and continued innovation, will position the Group to scale across East Africa and deliver sustainable value to our stakeholders. We appreciate the continued trust and loyalty of our shareholders and remain committed to delivering improving returns over the long term.

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Our Group structure is strengthening our operating model, by enhancing the coordination across markets, while preserving the unique strengths of each subsidiary. This structure supports better capital allocation, improved governance and risk management, augment regional customer relationships, improved operational efficiencies and greater alignment of technology systems across the group, enabling us to scale-up more effectively.

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MTAZAMO WA MWENYEKITI WA BODI

LINUS GITAHU, MBS

Afrika Mashariki inaendelea kuwa moja ya maeneo yenye fursa kubwa za ukuaji, barani Afrika na duniani kwa ujumla. Hali hii inachangiwa na uwepo wa rasilimali nyingi za asili, uchumi uliokita katika sekta mbalimbali, taasisi zinazozidi kuimarika, pamoja na idadi kubwa ya vijana wanaokua na wenye ari ya ujasiriamali, ambao wanaendelea kuchochea mahitaji ya soko na uwezo wa uzalishaji. Mwaka 2025, baada ya kujikokota, kasi ya ukuaji wa uchumi ilianza kuimarika kadri hali ya uchumi ilivyoboreshwa. Hii iliungwa mkono na kuongezeka kwa matumizi ya ndani, kupungua kwa mfumuko wa bei, uthabiti wa viwango vya ubadilishaji wa fedha, ongezeko la mauzo ya nje, na kushuka kwa viwango vya riba, hasa katika soko letu kuu la Kenya.

Ukuaji huu ulipatikana licha ya kuwepo kwa hali ya kutokuwa na uhakika wa kisiasa kimataifa, athari za mabadiliko ya tabianchi, mabadiliko ya kijamii na kisiasa katika ngazi ya ndani, pamoja na chaguzi kuu zilizofanyika Tanzania (Oktoba 2025) na Uganda (Januari 2026), ambazo ziliwezesha mwendelezo wa shughuli za biashara. Uwezo wa ukanda huu kukabiliana na changamoto hizi unaonyesha uimara wake na uwezo wa kuendana na mazingira yanayozidi kuwa magumu ya uendeshaji wa biashara.

Kwa kuangazia yajayo, kujitokeza kwa hatari za kisiasa kimataifa - ikiwemo zile zinazochochewa na matukio ya hivi karibuni Mashariki ya Kati - na mabadiliko yanayoambatana nayo katika mitazamo ya kimataifa, kunaweza kujaribu uimara wetu huku mifumo ya usambazaji, masoko na hali ya uchumi vikibadilika kutoka matarajio ya kawaida. Kwa Afrika Mashariki inayotegemea zaidi bidhaa kutoka nje, kupanda kwa bei ya mafuta na changamoto za upatikanaji wa bidhaa kunaweza kuongeza mfumuko wa bei, kusababisha kuyumba kwa viwango vya ubadilishaji wa fedha, na kupelekea benki kuu kuchukua hatua za kukaza sera za fedha, jambo ambalo linaweza kulemaza baadhi ya mafanikio ya hivi karibuni ya kiuchumi. Usumbufu katika safari unaweza kuathiri utalii, huku hali ya kutokuwa na utulivu Mashariki ya Kati - hasa ikiwa itaendelea - ikiweza kupunguza fedha zinazotumwa kutoka nje, ambazo zimekuwa chanzo muhimu cha ukuaji. Wakati huo huo, kuongezeka kwa gharama za uagizaji wa bidhaa kutoka nje na kutoka kwa mitaji ya uwekezaji kunaweza kupanua nakisi ya urari wa malipo na kuongeza shinikizo kwa sarafu za ndani.

Ingawa akiba zilizopo kwa sasa, hasa kuongezeka kwa akiba ya fedha za kigeni (FX reserves), zinaweza kusaidia uchumi wa Afrika Mashariki ambako tunafanya biashara kuhimili athari-ghafila kwa kiuchumi,

mgogoro ukidumu kwa muda mrefu unaweza kudhoofisha hali ya uchumi na kulazimisha hatua ngumu zaidi za marekebisho. Kwa upande wa sekta ya benki, ikiwemo taasisi yetu, mgogoro wa muda mrefu unaweza kuathiri ukuaji wa mizania (Balance sheet), ubora wa mikopo na mali (asset quality), pamoja na gharama ya upatikanaji wa fedha (cost of funds), hasa kama benki kuu zitaanza kukaza sera za fedha (monetary tightening).

Licha ya athari-ghafila, tunaendelea kuwa na imani na matarajio ya muda mrefu ya masoko yetu, pamoja na uwezo wa mfumo wetu wa biashara kubadilika haraka na kustahimili changamoto. Tukiongozwa na dhamira yetu ya kuboresha maisha ya wadau wetu wote kwa njia endelevu na yenye matokeo chanya, tutaendelea kuhamasisha ujumuishaji wa kifedha na utoaji wa huduma za kifedha, kama nguzo muhimu ya kuwezesha ukuaji wa kiuchumi na maendeleo ya biashara katika ukanda huu.

Katika mwaka huu, Kundi la DTB lilipiga hatua kubwa katika kutekeleza Mkakati wake wa Ukuaji wa Biashara wa DTB 3.0. Tuliongeza wigo/idadi ya wateja wetu kwa milioni 1.4, na kufikisha jumla ya wateja milioni 4.5 mwaka 2025 - ikiwa ni ukuaji wa mara nane tangu mwaka 2022 tulipoanzisha mkakati wetu wa sasa.

Tumeanza pia kunufaika na matokeo ya uwekaji wa mifumo ya kidijitali katika biashara (enterprise digitisation), ambapo tumepata maboresho makubwa katika ufanisi wa shughuli, usimamizi wa athari zinazoweza kujitokeza, na namna wateja wanavyopokea na kutumia huduma zetu. Haya ni mambo muhimu katika kuleta thamani ya muda mrefu kupitia kuboresha zaidi huduma tunazowapa wateja wetu.

Uendelevu unasalia kuwa sehemu muhimu ya mkakati wetu. Tunaendelea kujumuisha namna ya kufanya biashara kwa uwajibikaji katika shughuli zetu zote, huku tukipiga hatua zinazoonekana na kuweka misingi imara katika maeneo ya hatua za kukabiliana na mabadiliko ya tabianchi, utoaji wa fedha kwa miradi endelevu (Sustainable Finance), ushirikiano, na shughuli za kuwajibika kwa jamii.

Mkakati wetu - unaolenga kuwa na mchango wa maana wa kijamii na kiuchumi katika masoko tunakofanya biashara - umejengwa juu ya nguzo tatu kuu: upanuzi wa wigo wa wateja (Customer Reach), mageuzi ya kidijitali, na ubora katika hali uendelevu (Sustainability Excellence). Vipaumbele hivi vinaweka Kundi la DTB katika nafasi ya kusalia imara na lenye uwezo wa kuendana na mabadiliko katika mazingira yanayozidi kuwa changamano, yanayoathiriwa na mabadiliko ya masoko, hali inayobadilika ya athari/vihatarishi, mabadiliko ya kanuni na vichocheo vingine vya mabadiliko ya soko.

Mpangilio wa Kundi la DTB unaimarisha namna tunavyoendesha shughuli zetu kwa kuongeza uratibu kati ya masoko mbalimbali, huku tukihifadhi nguzo za kipekee za kila kampuni tanzu. Mpangilio huu unasaidia matumizi bora ya mtaji, uongozi bora na usimamizi wa athari, kuimarisha uhusiano na wateja wa kikanda, kuongeza ufanisi wa shughuli, na kuleta uwiano mkubwa wa mifumo ya teknolojia katika Kundi zima, hivyo kutuwezesha kupanuka kwa ufanisi zaidi.

Kwa mwaka huu, Kundi la DTB lilitoa matokeo mazuri kwa wanahisa wetu, ambapo faida kwa mtaji (return on equity) iliongezeka hadi 10.3%. Kutokana na uimara wa mtaji na ukwasi tulionao, Bodi imependekeza gawio la mwisho la KShs 9 kwa kila hisa kwa mwaka huu, ambalo ni ongezeko la 28.6% ikilinganishwa na mwaka uliopita. Katika kiwango hiki, uwiano wa malipo ya gawio pia umeendelea kuimarika hadi 26.7%, ukilinganishwa na 25.6% kwa mwaka wa fedha 2024.

Tuna imani kuwa utekelezaji endelevu wa Mkakati wetu wa Ukuaji wa Biashara wa DTB 3.0, ukiungwa mkono na uongozi imara, mifumo thabiti ya kushughulikia athari, na ubunifu, utawezesha Kundi kupanuka zaidi katika Afrika Mashariki na kutoa thamani endelevu kwa wadau wetu. Tunathamini imani na uaminifu wa wanahisa wetu, na tunaendelea kujitolea kuhakikisha tunatoa matokeo bora zaidi kwa muda mrefu.

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MpangiliowaKundilaDTBunaimarishanamnatunavyoendesha shughulizetu kwa kuongeza uratibu kati ya masoko mbalimbali, huku tukihifadhi nguzo za kipekee za kila kampuni tanzu. Mpangilio huu unasaidia matumizi bora ya mtaji, uongozi bora na usimamizi wa athari, kuimarisha uhusiano na wateja wa kikanda, kuongeza ufanisi wa shughuli, na kuleta uwiano mkubwa wa mifumo ya teknolojia katika Kundi zima, hivyo kutuwezesha kupanuka kwa ufanisi zaidi.

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* Taarifa iliyoko hapa juu ni tafsiri ya *Mtakazo wa Mwenyekiti wa Bodi* iliyo katika kurasa za 22-23. Iwapo patatokea utata wowote katika tafsiri ya maana halisi ya maneno yaliyotumika, basi tafsiri ya Kiingereza ndiyo itakayo tawala.

* The text above is a Swahili translation of the *Chairman's Reflections* which appear on page 22-23. In the event of a contradiction between the two texts, the English version takes precedence.



GROUP CEO'S REFLECTIONS

NASIM DEVJI

Our DTB 3.0 Business Growth Strategy, anchored on three pillars; Customer Reach, Digital Transformation and Sustainability Excellence, continues to strengthen our social-economic relevance across our markets. During the year our Group customer base grew to 4.5 million, with 1.4 million customers onboarded in 2025. This growth reflects our sustained investments in technology, strategic partnerships with telcos & fintechs and an expanded distribution network. These initiatives are deepening financial inclusion, empower our customers economically, and deliver enhanced value to our shareholders.

As we expand our customer base, we have also continued to diversify and strengthen our sector's focus to build resilience in the business. Across the Group, we are deepening our presence in key sectors where we have strong expertise, including trade, manufacturing, transport, construction and tourism. This focus is reflected in our significant portfolio growth and milestones in asset finance and trade. At the same time, we continue to make significant inroads into new strategic sectors including public sector, agriculture and education. In Kenya our public sector platform facilitated payments of KShs 133 billion to KRA, SHA, E-Citizen, Kenya Power, NSSF & KPA. In Tanzania, beyond collections,

our Rafiki digital loan product extended to public sector employees reached KShs 1.3 billion, while maintaining low non-performing assets.

The group has continued to strengthen its digital capabilities, while prioritising investments that deliver optimal value. The decoupling of the Group CEO office from the Kenya CEO office has reinforced the group's oversight and supervision function, enabling our businesses to build and leverage deeper regional relationships. Since the establishment of the group structure, we have enhanced collaborations across IT, credit, regulatory affairs, compliance, risk management, internal audit and finance, while leveraging the distinct strengths of each market. This integrated approach is not only reducing the cost of technology acquisition but also enabling us to harness operational synergies to better serve our regional customers.

We also remain focused on delivering optimal value to our stakeholders across all markets. In 2025, the Group made a strategic decision to exit the Burundi market by transferring its entire 83.67% shareholding in DTB Burundi to a consortium of local investors in Burundi led by the existing minority shareholder. The transition ensures continuity in advancing financial inclusion in Burundi, while allowing the new investors to

build on an already established platform of good governance and risk management, supported by their deep local expertise.

Sustainability remains a core pillar of our strategy, and we continue to embed responsible practices across our operations. In 2025, the Group reached a significant milestone, with the planting of our 1,000,000th tree, in line with our commitment to offset Scope 1 and Scope 2 emissions. Beyond climate stewardship, we enhanced our social impact by empowering over 10,000 participants who attended our financial literacy and enterprise development programmes, enabling

them to build sustainable livelihoods. We also remain proud of our support for promoting girl child education and providing them with an opportunity to achieve academic excellence. This was enabled through our AchieveMoreGirl initiative that, since 2020 to date, have provided 30,000 school girls with reusable sanitary towels. We take pride in working with girls to keep them in school during their menstrual periods.

All said, the Group delivered strong financial performance in 2025, with improved profitability and continued balance sheet growth, translating into solid returns to our shareholders.

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The group has continued to strengthen its digital capabilities, while prioritising investments that deliver optimal value. The decoupling of the Group CEO office from the Kenya CEO office has reinforced the group's oversight and supervision function, enabling our businesses to build and leverage deeper regional relationships. Since the establishment of the group structure, we have enhanced collaborations across IT, credit, regulatory affairs, compliance, risk management, internal audit and finance, while leveraging the distinct strengths of each market. This integrated approach is not only reducing the cost of technology acquisition but also enabling us to harness operational synergies to better serve our regional customers.

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MTAZAMO WA AFISA MTENDAJI MKUU WA KUNDI LA DTB

NASIM DEVJI

Mkakati wetu wa Ukuaji wa Biashara wa DTB 3.0, unaojengwa juu ya nguzo tatu - upanuzi wa wigo wa wateja, mageuzi ya kidijitali na ubora katika uendeleu - unaendelea kuimarisha manufaa kwa jamii na uchumi katika masoko tunakofanya biashara. Katika mwaka huu, idadi ya wateja wa Kundi la DTB ilifikia milioni 4.5, kiwa ni pamoja na wateja milioni 1.4 waliojiunga mwaka 2025. Ukuaji huu unaonyesha uwekezaji wetu endelevu katika teknolojia, ushirikiano wa kimkakati na kampuni za mawasiliano (telcos) na teknolojia ya kifedha (fintechs), pamoja na upanuzi wa njia zetu za kuwafikia wateja. Hatua hizi zinaimarisha ujumuishaji wa kifedha, zinawawezesha wateja wetu kiuchumi, na kuongeza thamani kwa wanahisa wetu.

Kadri tunavyoendelea kuongeza upeo wa wateja, pia tumeendelea kupanua na kuimarisha mwelekeo wetu katika sekta mbalimbali ili kujenga uimara wa biashara. Katika Kundi zima la DTB, tunaimarisha uwepo wetu katika sekta muhimu tulizo na uzoefu mkubwa nazo, zikiwemo biashara, viwanda, usafiri, ujenzi na utalii. Mwelekeo huu unaonekana katika ukuaji wa mikopo na uwekezaji wetu, pamoja na mafanikio tuliyopata katika ufadhili wa mali na biashara. Wakati huo huo, tunaendelea kuimarisha uwepo wetu katika sekta mpya za

kimkakati, kama vile sekta ya umma, kilimo na elimu. Nchini Kenya, mfumo wetu wa kuhudumia sekta ya umma uliwezesha malipo ya KShs bilioni 133 kwenda kwa KRA, SHA, E-Citizen, Kenya Power, NSSF na KPA. Nchini Tanzania, mbali na ukusanyaji wa malipo, huduma yetu ya mkopo wa kidijitali ya Rafiki kwa wafanyakazi wa sekta ya umma ilifikia KShs bilioni 1.3, huku tukidumisha kiwango kidogo cha mikopo isiyolipwa kwa wakati.

Kundi la DTB limeendelea kuimarisha uwezo wake wa kidijitali, huku likiweka kipaumbele katika uwekezaji unaoleta thamani halisi. Kutenganishwa kwa majukumu ya Afisa Mtendaji Mkuu wa Kundi na wa Kenya kumeimarisha ufuatiliaji na usimamizi wa shughuli za Kundi, na kuwezesha biashara zetu kujenga na kutumia vizuri mahusiano ya kikanda. Tangu kuanzishwa kwa mpangilio huu wa Kundi, tumeboreshwa ushirikiano katika maeneo ya tehamu, mikopo, masuala ya udhibiti, ufuataji wa sheria, kudhibiti athari, ukaguzi wa ndani na fedha, huku tukitumia uwezo wa kipekee wa kila soko. Mfumo huu wa kufanya kazi kwa mshikamano inapunguza gharama za upatikanaji wa teknolojia na pia inatuwezesha kutumia vizuri ushirikiano wa shughuli ili kuwahudumia vyema zaidi wateja wetu wa kikanda.

Pia tunaendelea kulenga kutoa thamani bora kwa wadau wetu katika masoko yote. Mwaka 2025, Kundi la DTB lilichukua uamuzi wa kimkakati wa kujiondoa katika soko la Burundi kwa kuhamisha hisa zake zote za asilimia 83.67% katika DTB Burundi kwa kundi la wawekezaji wa ndani wakiongozwa na hisa-chache iliyopo. Hatua hii inahakikisha mwendeleo wa juhudi za kuimarisha ujumuishaji wa kifedha nchini Burundi, huku ikiwapa wawekezaji wapya nafasi ya kujenga juu ya msingi uliopo wa uongozi bora na kudhibiti athari, kwa kutumia ujuzi-asili.

Biashara yenye mwelekeo wa kudumu/endelevu unasalia kuwa nguzo muhimu ya mkakati wetu, na tunaendelea kujumuisha namna ya kufanya biashara kwa uwajibikaji katika shughuli zetu zote. Mwaka 2025, Kundi la DTB lilifikia hatua muhimu kwa kupanda miti milioni moja, ikiwa ni sehemu ya juhudi zetu za kupunguza athari za uzalishaji wa hewa chafu.

Mbali na juhudi za kulinda mazingira, tuliimarisha mchango wetu kwa jamii kwa kuwawezesha zaidi ya washiriki 10,000 waliopata mafunzo ya ujuzi wa masuala ya fedha na maendeleo ya biashara, na kuwasaidia kujenga maisha endelevu. Pia tunaendelea kujivunia juhudi zetu za kukuza elimu ya mtoto wa kike na kuwapa nafasi ya kufikia mafanikio ya kitaaluma. Hili limewezekana kupitia mpango wetu wa AchieveMoreGirl ambao tangu mwaka 2020 hadi sasa umewezesha wasichana 30,000 kupata taulo za hedhi za kike zinazoweza kutumika tena. Tunajivunia kushirikiana na wasichana kuhakikisha wanaendelea na masomo yao bila vikwazo wakati wa hedhi.

Kwa ujumla, Kundi la DTB liliandikisha matokeo mazuri ya kifedha mwaka 2025, kwa kuongezeka kwa faida na kuendelea kwa ukuaji wa mizania, jambo lililosababisha faida nzuri kwa wanahisa wetu.

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Kundi la DTB limeendelea kuimarisha uwezo wake wa kidijitali, huku likiweka kipaumbele katika uwekezaji unaoleta thamani halisi. Kutenganishwa kwa majukumu ya Afisa Mtendaji Mkuu wa Kundi na wa Kenya kumeimarisha ufuatiliaji na usimamizi wa shughuli za Kundi, na kuwezesha biashara zetu kujenga na kutumia vizuri mahusiano ya kikanda. Tangu kuanzishwa kwa mpangilio huu wa Kundi, tumeboreshwa ushirikiano katika maeneo ya tehamu, mikopo, masuala ya udhibiti, ufuataji wa sheria, kudhibiti athari, ukaguzi wa ndani na fedha, huku tukitumia uwezo wa kipekee wa kila soko. Mfumo huu wa kufanya kazi kwa mshikamano inapunguza gharama za upatikanaji wa teknolojia na pia inatuwezesha kutumia vizuri ushirikiano wa shughuli ili kuwahudumia vyema zaidi wateja wetu wa kikanda.

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* Taarifa iliyoko hapa juu ni tafsiri ya **Mtazamo wa Afisa Mtendaji Mkuu wa Kundi la DTB** iliyo katika kurasa za 26-27. Iwapo patatokea utata wowote katika tafsiri ya maana halisi ya maneno yaliyotumika, basi tafsiri ya Kiingereza ndiyo itakayo tawala.

* The text above is a Swahili translation of the **Group CEO's Reflections** which appear on page 26-27. In the event of a contradiction between the two texts, the English version takes precedence.



MANAGING DIRECTOR & CEO KENYA REFLECTIONS

MURALI NATARAJAN

2025 presented both opportunities and challenges for our business and our customers in Kenya. While headline economic growth remained resilient, expanding by approximately 4.9% in 2025, the benefits of this growth were unevenly felt across businesses and households, particularly in the first half of the year. Conditions began to improve in the second half, supported by the government's partial payment of pending bills and effects of easing monetary policy conditions as CBK cut the benchmark Central Bank Rate by a further 2.5% in 2025.

Consequently, business confidence improved and private sector credit growth recovered to 6.4% in 2025, after contracting in the previous year. While the recovery has yet to translate into stronger fixed investments, it signals a gradual normalisation of credit conditions and potential for sustained growth in 2026 and beyond. However, this outlook remains subject to global uncertainties, particularly the ongoing conflict in the Middle East, which could potentially slow down our balance sheet growth, increase the cost of funding and put a strain on asset quality.

A key structural development during the year was the banking sector's transition to a risk-based pricing framework, that allows banks to price loans off CBR or KESONIA (Kenya Shilling Overnight Interbank Rate),

plus a risk premium. As DTB, we successfully adopted CBR as our base rate and, as of 1 March 2026, have transitioned all eligible loans to this framework.

Strategically, we continued to execute and refine our business strategy, to adapt to the evolving operating environment. Our unwavering focus to drive sustained business growth, across segments, delivered improved results in 2025. During the year, we expanded our distribution footprint to 92 branches across Kenya, leveraged our sales force and deepened our digital capabilities and propositions. These investments are central to our ambition of expanding our customer base to 1 million in Kenya by the end of 2026 from 600,000 today.

Central to the aforementioned initiatives is our continued quest to improve customer experience. In this regard, DTB Kenya migrated to a modern AI-powered CRM platform to enhance our customers' experience through expanded channels and workflow automation, as well as, ultimately, enable more effective cross-sell of products. Such key initiatives enable our teams to dedicate more time to customer engagement, ultimately improving not just portfolio returns, but also customer experience. As a testimony to this, our average Net Promoter

Score, which measures customer loyalty has improved to 66 in 2025 from 49 in 2024 and the Customer Satisfaction Score (CSAT) which customer satisfaction levels has averaged 96% in 2025.

Looking ahead, our priorities are clear. We will continue to expand our distribution capabilities to accelerate acquisition, while driving operational efficiency, through increased automation and continued deployment of robotic process automation (RPA). These initiatives have already begun to deliver measurable benefits, and we have identified several processes where automation can significantly reduce manual interventions.

At a portfolio level, we will continue scaling our business banking and retail lending, targeting a combined contribution of over 35% of our loan book over the next three years. This will further diversify our lending portfolio, reduce attendant concentration risks, improve operating margins and further strengthen the resilience of our earnings. In parallel, we remain focused on improving our funding profile by increasing our CASA ratio to bridge the current gap with the industry average, leveraging our growing customer base, expanding distribution network and the reach ecosystems of our business customers.

Maintaining our credit discipline remains a core priority. We continue to simultaneously enhance our credit governance and risk management practices to ensure sustained improvement in asset quality.

Beyond core banking, we also see significant growth opportunities across several areas of our franchise, including bancassurance business through our insurance agency subsidiary, DTBI, custody services and our trade and asset finance offerings, which are gaining momentum.

Cost management will remain central to our strategy as we scale. Through ongoing efficiency initiatives and automation, we remain committed to reducing our cost-to-income ratio to below 45% by 2028, ensuring growth is delivered in a sustainable and efficient manner.

Overall, we remain confident in the strengths of our franchise. By continuing to invest in people, technology and distribution capabilities, we are well positioned to deliver sustainable growth and create lasting value to our stakeholders.

I extend my sincere appreciation to our regulators, particularly the Central Bank of Kenya, for their continued guidance, oversight, and partnership in safeguarding the stability and integrity of the financial sector. I am equally grateful to our customers for their patronage, which remains the foundation of our growth, and to our shareholders for their unwavering confidence and support. Together with our employees and partners, these relationships continue to shape our journey and enable us to deliver sustainable value.

“

Looking ahead, our priorities are clear. We will continue to expand our distribution capabilities to accelerate acquisition, while driving operational efficiency, through increased automation and continued deployment of robotic process automation (RPA). These initiatives have already begun to deliver measurable benefits, and we have identified several processes where automation can significantly reduce manual interventions.

”



MTAZAMO WA MKURUGENZI MTENDAJI NA AFISA MKUU MTENDAJI - KENYA

MURALI NATARAJAN

Mwaka 2025 uliwasilisha fursa na changamoto katika biashara yetu na wateja wetu nchini Kenya. Ingawa ukuaji wa uchumi ulisalia kuwa thabiti, ukipanuka kwa takriban 4.9% mwaka wa 2025, faida zake hazikuenea kwa usawa katika biashara na kaya/familia, hasa katika nusu ya kwanza ya mwaka. Hali ilianza kuboreka nusu ya pili, kutokana na malipo ya sehemu ya bili zilizokuwa hazijakamilika yaliyofanywa na serikali na matokeo ya kupunguzwa kwa viwango vya riba wakati Benki Kuu ya Kenya (CBK) ilipunguza Kiwango Kikuu cha Riba kwa 2.5% zaidi mwaka 2025.

Kwa hiyo, imani ya biashara iliimarika na ukuaji wa mikopo wa sekta binafsi ulirejea hadi 6.4% mwaka 2025, baada ya kupata kandarasi mwaka uliopita. Ingawa urejeleaji wa biashara bado haujatafsiriwa kuwa uwekezaji thabiti, unaashiria urekebishaji wa taratibu wa masharti ya mikopo na uwezekano wa ukuaji endelevu katika 2026 na kuendelea. Hata hivyo, mtazamo huu unasalia chini ya kutokuwa na uhakika wa kimataifa, hasa mzozo unaoendelea katika Mashariki ya Kati, ambao unaweza kupunguza kasi ya ukuaji wetu wa mizania, kuongeza gharama ya ufadhili na kuweka mkazo katika ubora wa mali.

Miongoni mwa maendeleo muhimu ya kimuundo katika mwaka huo yalikuwa mabadiliko ya sekta ya benki hadi kwa mfumo wa uwekaji bei unaozingatia vihatarishi/athari, unaoruhusu benki kutoa bei ya mikopo kutoka kwa CBR au KESONIA (Kiwango cha Benki ya Shilingi ya Kenya kwa Usiku), pamoja na malipo ya vihatarishi. Kama DTB, tulipitisha CBR kama kiwango chetu cha marejeleo na, hadi tarehe 1 Machi 2026, tumebadilisha mikopo yote inayostahiki hadi mfumo huu.

Kimkakati, tuliendelea kutekeleza na kuboresha mkakati wetu wa biashara, ili kuendana na mazingira ya uendeshaji biashara yanayobadilika. Mtazamo wetu usioyumba wa kukuza ukuaji endelevu wa biashara, katika vitengo vyote, ulileta matokeo bora mwaka wa 2025. Katika mwaka huo, tulipanua mkondo wetu wa usambazaji hadi matawi 92 kote nchini Kenya, tukatumia vigezo yetu vya mauzo na kuongeza uwezo na mapendekezo yetu ya kidijitali. Uwekezaji huu ni muhimu katika azma yetu ya kupanua wigo wa wateja wetu hadi milioni 1 nchini Kenya kufikia mwisho wa 2026 kutoka 600,000 tulionao leo.

Muhimu wa mipango iliyotajwa hapo juu ni azma yetu ya kuendelea kuboresha huduma kwa wateja. Katika suala hili, DTB Kenya ilihamia

mfumo wa kisasa wa CRM unaoendeshwa na AI ili kuboresha huduma kwa wateja wetu kupitia chaneli zilizopanuliwa na uendeshaji wa kazi kwa njia ya kiotomatiki, na vile vile, hatimaye, kuwezesha uuzaji bora zaidi wa bidhaa. Juhudi kama hizo kuu huwezesha maafisa wetu kutenga muda zaidi kwa ushirikishwaji wa wateja, hatimaye kuboresha sio tu mapato ya kwingineko, lakini pia uhuduma kwa wateja. Kama ushuhuda wa hili, Alama yetu ya wastani ya Kipimo cha Uaminifu wa Wateja (NPS), ambayo hupima uaminifu wa wateja imeongezeka hadi 66 mwaka 2025 kutoka 49 mwaka wa 2024 na Alama ya Kuridhika kwa Wateja (CSAT) ambayo viwango vya kuridhika kwa wateja vimekuwa wastani wa 96% mwaka wa 2025.

Tunapoelekea siku zijazo, vipaumbele vyetu viko wazi. Tutaendelea kupanua uwezo wetu wa usambazaji ili kuharakisha upataji, huku tukiendesha ufanisi wa utendakazi, kupitia uwekaji kiotomatiki ulioongezeka na kuendelea kutumwa kwa mchakato wa kiotomatiki wa roboti (RPA). Juhudi hizi tayari zimeanza kutoa manufaa yanayopimika, na tumetambua michakato kadhaa ambapo njia ya kiotomatiki inaweza kupunguza kazi za mikono kwa kiasi kikubwa.

Katika aina za mikopo tunazotoa, tutaendelea kuongeza mikopo ya benki na rejareja, tukilenga mchango wa jumla wa zaidi ya 35% ya kitabu chetu cha mkopo katika miaka mitatu ijayo. Hii itabadilisha zaidi jalada letu la kukopesha, kupunguza vihatarishi na umakinifu wa wahudumu, kuboresha vgezo vya uendeshaji biashara na kuimarisha zaidi uthabiti wa mapato yetu. Sambamba na hilo, tunasalia kulenga kuboresha

wasifu wetu wa ufadhili kwa kuongeza uwiano wetu wa CASA ili kuziba pengo la sasa na wastani wa sekta hiyo, kuongeza idadi ya wateja wetu wanaokua, kupanua mtandao wa usambazaji na mifumo ikolojia ya kufikia wateja wetu wa biashara.

Kudumisha nidhamu yetu ya mikopo inasalia kuwa kipaumbele kikuu. Tunaendelea kuimarisha usimamizi wetu wa mikopo na udhibiti wa vihatarishi kwa wakati mmoja ili kuhakikisha uboreshaji endelevu wa ubora wa mali.

Zaidi ya huduma kuu za benki, pia tunaona fursa kubwa za ukuaji katika sehemu mbalimbali za kampuni yetu, ikiwa ni pamoja na bima kupitia kampuni tanzu ya wakala wetu wa bima, DTBI, huduma za uhifadhi mali na matoleo yetu ya biashara na ufadhili wa mali, ambayo yanazidi kushika kasi.

Udhibiti wa gharama utaendelea kuwa msingi wa mkakati wetu tunapopanua shughuli za kibiashara. Kupitia juhudi za kuongeza ufanisi kiotomatic, tutaendelea kujitolea kupunguza uwiano wa gharama-kwa-mapato chini ya 40% kufikia 2028, kuhakikisha ukuaji unafanikishwa kwa njia endelevu na yenye ufanisi.

Kwa jumla, tunasalia kuwa na imani katika nguzo muhimu za kampuni yetu. Kwa kuendelea kuwekeza kwenye watu, teknolojia na uwezo wa kueneza huduma, tuko kwenye nafasi nzuri ya kuendelea ukuaji endelevu na kuleta thamani ya kudumu kwa wadau wetu.

“

Tunapoelekea siku zijazo, vipaumbele vyetu viko wazi. Tutaendelea kupanua uwezo wetu wa usambazaji ili kuharakisha upataji, huku tukiendesha ufanisi wa utendakazi, kupitia uwekaji kiotomatiki ulioongezeka na kuendelea kutumwa kwa mchakato wa kiotomatiki wa roboti (RPA). Juhudi hizi tayari zimeanza kutoa manufaa yanayopimika, na tumetambua michakato kadhaa ambapo njia ya kiotomatiki inaweza kupunguza kazi za mikono kwa kiasi kikubwa.

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* Taarifa iliyoko hapo juu ni tafsiri ya **Mtazamo wa Mkurugenzi Mtendaji na Afisa Mkuu Mtendaji - Kenya** iliyo katika kurasa za 30-31. Iwapo patatokea utata wowote katika tafsiri ya maana halisi ya maneno yaliyotumika, basi tafsiri ya Kiingereza ndiyo itakayo tawala.

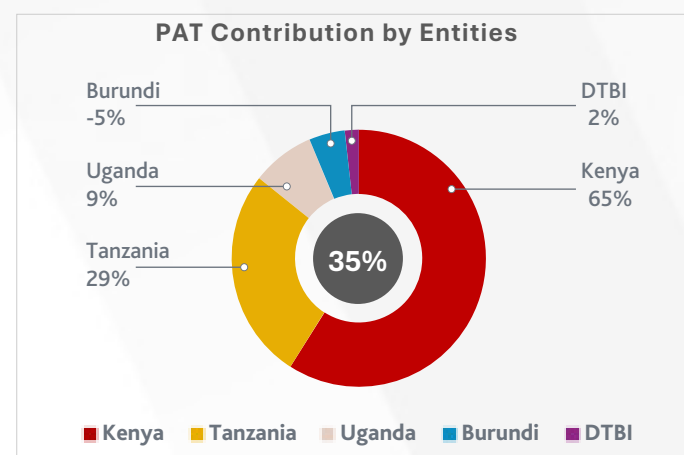
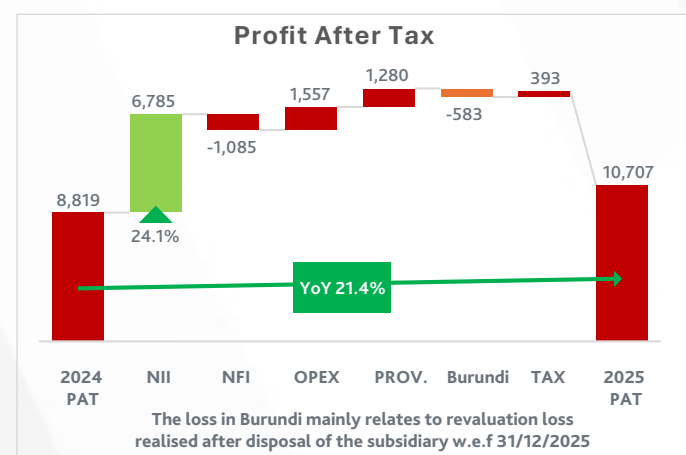
* The text above is a Swahili translation of the **Managing Director and CEO Kenya Reflections** which appear on page 30-31. In the event of a contradiction between the two texts, the English version takes precedence.

FINANCE AND STRATEGY DIRECTOR'S REFLECTIONS

ALKARIM JIWA

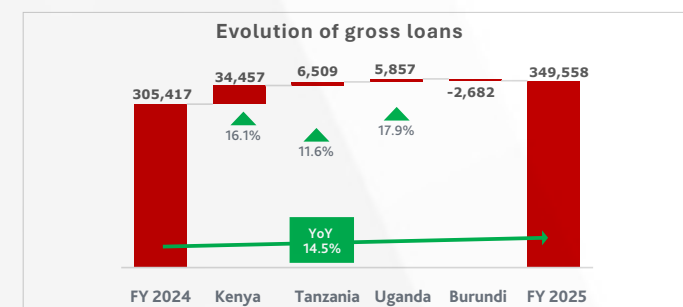
2025 was a pivotal year for DTB, this has been demonstrated by our agility in adapting to the fast-paced competitive landscape. Our financial performance for the year not only demonstrates adaptability but also reflects our unwavering commitment to generating sustainable value for all stakeholders. This achievement underscores the strength of our strategy (DTB 3.0), the dedication of our teams, and the trust placed in us by our customers and partners.

Profit after tax rose by 21.4% in 2025, driven by strong top-line growth. Non-funded income, however, was constrained by tighter forex margins stemming from improved dollar liquidity. DTB continues to accelerate its core business expansion while reinforcing non-interest income streams to diversify revenue sources. Our Tanzania and Uganda subsidiaries also delivered notable gains, highlighting their increasing contribution and strategic significance within the Group.



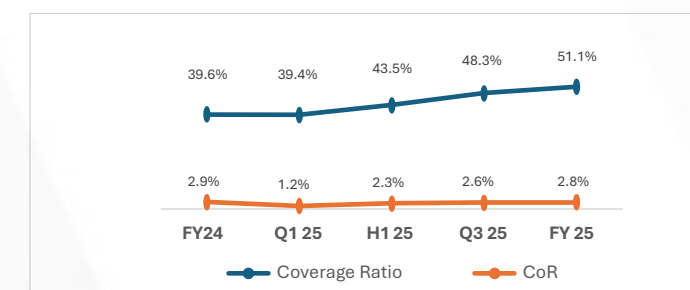
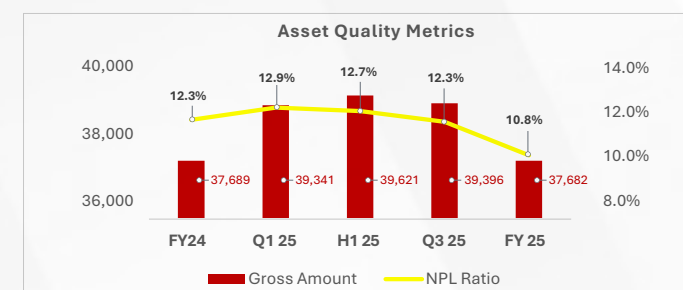
CREDIT GROWTH

Credit growth across the region advanced 14.5% year-on-year in 2025, reflecting a strengthening credit environment. DTB sustained its strategic focus on SMEs, retail, and corporate clients, delivering strong momentum in new disbursements across key markets. In addition, emerging segments such as public sector and agriculture gained traction, with significant resources allocated to capture these opportunities. This performance underscores our commitment to supporting enterprise development and driving inclusive economic growth.



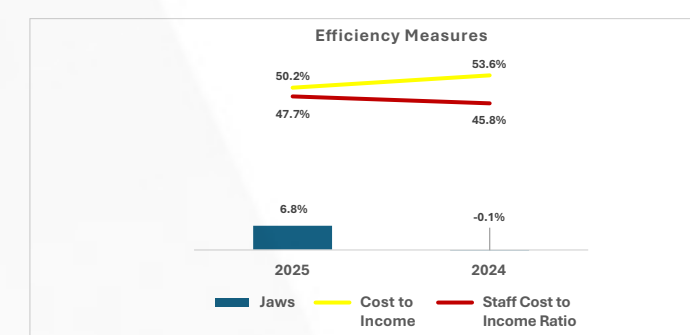
Credit risk remains a cornerstone of our risk management framework. The non-performing loans (NPL) ratio improved to 10.8%, down from 12.3% the previous year a reflection of gradually improving credit environment. Equally notable, the Group's coverage ratio has improved to 51.1% from 39.6%. These achievements highlight the effectiveness of our rigorous risk management practices and diligent recovery efforts, reinforcing stability and resilience even amid a fragile economic backdrop. Looking ahead, DTB remains firmly committed to reducing the Group's NPL ratio to single-digit levels, further advancing our pursuit of sustainable NPL book.

ASSET QUALITY



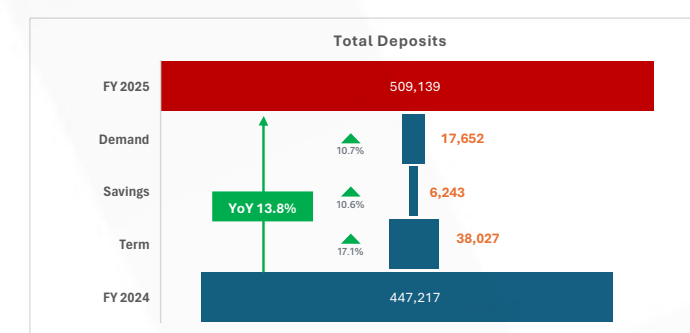
OVERALL EFFICIENCY

Cost management remains a central priority, with improved efficiency evident in the reduction of the cost-to-income ratio. Strong topline revenue growth has further strengthened performance, driving the Group's jaws to 6.8% compared to -0.1% in 2024. This positive shift underscores the effectiveness of our disciplined approach to cost management and revenue momentum.



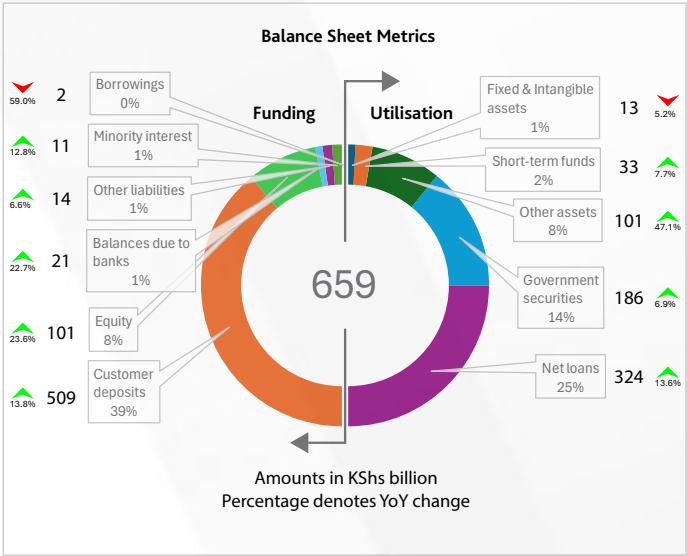
CUSTOMER DEPOSITS

Strong deposit growth was driven by the expansion of our branch network, the effectiveness of our sales force, stickiness and broadening customer base, and targeted mobilisation initiatives focused on key sectors. This approach has reinforced our market presence and deepened customer engagement, laying a solid foundation for sustained growth going forward.

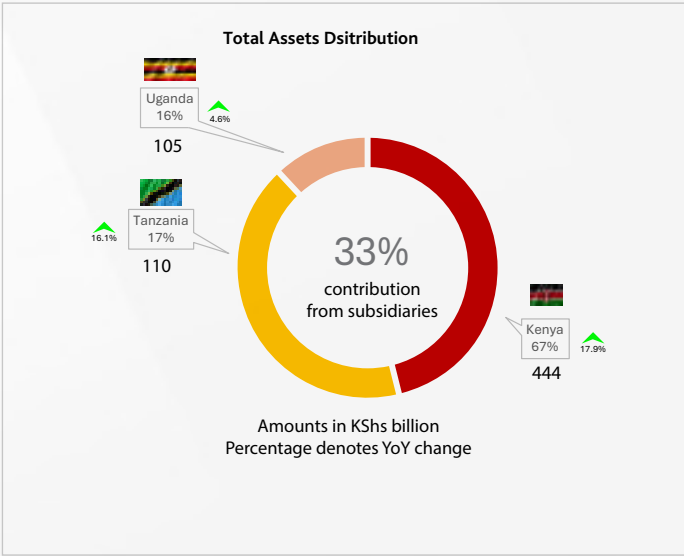


STEADY GROWTH IN ASSET BASE

Our asset base recorded a robust 14.9% growth over 2024, driven primarily by the expansion of customer deposits. These funds were strategically deployed into loans and government securities, ensuring optimal returns. Customer deposits continue to be our cornerstone



source of funding, contributing 77% of the total funding base, an enduring testament to the confidence our brand inspires and the loyalty of our customers.



STRONG CAPITAL AND LIQUIDITY

Capital adequacy and liquidity remained robust, reinforcing the Group's fortified balance sheet. The total capital adequacy ratio closed the year at 17.66%, comfortably above the regulatory minimum of 14.5%. Liquidity

stood at 53.4%, more than double the 20.0% regulatory threshold, underscoring ample headroom and resilience to support future growth.

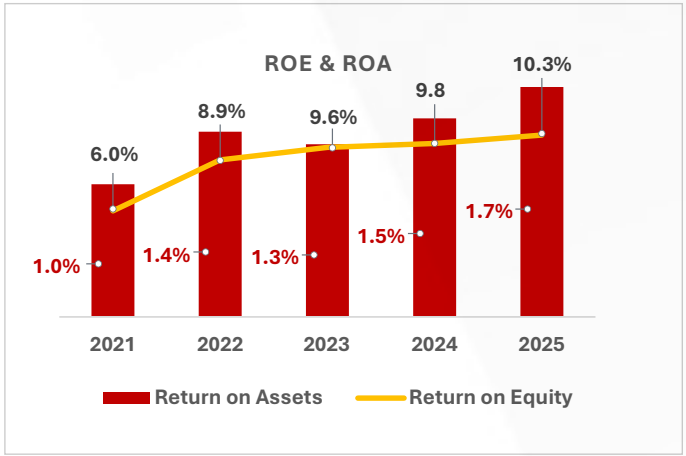
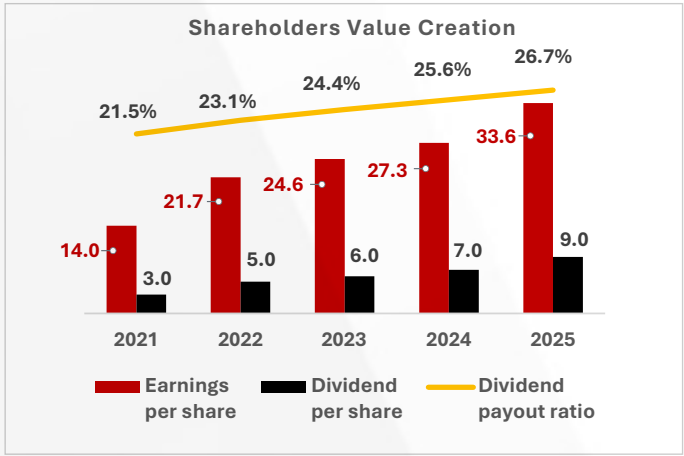
DTB Bank Entity	Total Capital/TRWA		Minimum Requirement	
	2025	2024	Board	Regulatory
Kenya	16.8%	17.3%	16.0%	14.5%
Uganda	19.1%	19.5%	16.0%	14.5%
Tanzania	21.3%	18.3%	16.0%	14.5%

DTB Bank Entity	Liquidity Ratio		Minimum Requirement	
	2025	2024	Board	Regulatory
Kenya	54.8%	49.9%	30.0%	20.0%
Uganda	59.2%	57.8%	30.0%	20.0%
Tanzania	29.2%	31.4%	30.0%	20.0%

SUSTAINED GROWTH IN SHAREHOLDERS' RETURNS

Our return to shareholders continues to demonstrate a positive upward trajectory, anchored on strong performance across the group. The 2025

results provide clear evidence that we are taking the right actions to deliver enhanced value for our shareholders.



OUTLOOK

The operating environment in 2026 is expected to remain highly uncertain, particularly due to the spillover effects of the Middle East conflict. As an organisation, we are approaching this with caution while remaining steadfast in delivering our strategic priorities—deepening and broadening customer relationships and expanding our footprint

across all our presence markets. We will continue to proactively identify opportunities to optimise our operating model, ensuring agility in responding to evolving market demands. Through this, we aim to generate sustainable value for all stakeholders while reinforcing our position as a formidable bank across the region.

“

Our financial performance for the year not only demonstrates adaptability but also reflects our unwavering commitment to generating sustainable value for all stakeholders. This achievement underscores the strength of our strategy (DTB 3.0), the dedication of our teams, and the trust placed in us by our customers and partners.

”

ONE MILLION TREES



It's a source of sustenance,
securing a foundation for
communities to flourish.



**MUCH
MORE**
THAN TREES

OUR SOCIO-ECONOMIC RELEVANCE

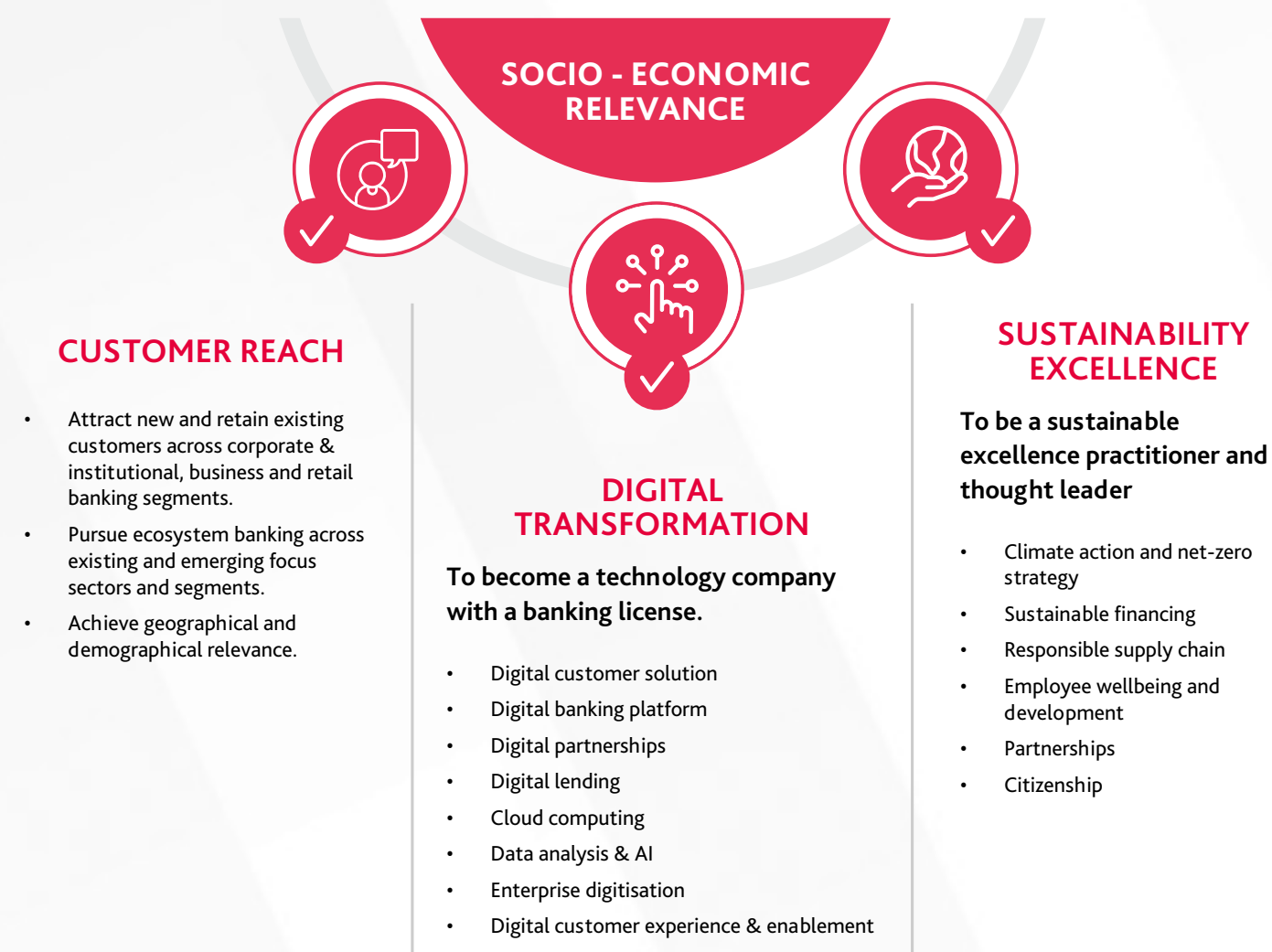
- 41 Our business strategy (from DTB 1.0 to DTB 3.0)
- 42 Customer reach
- 46 Digital transformation
- 50 Sustainability excellence
- 60 Our business model

OUR BUSINESS STRATEGY (FROM DTB 1.0 TO DTB 3.0)

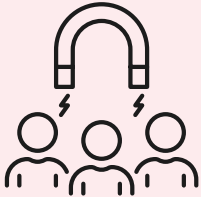
DTB 1.0 covered the first 60 years of our existence (mid-1940s to mid-2000s) when we operated as a mid-tier, niche market player in three principal East African markets, namely, Kenya, Tanzania and Uganda. In 2011, the 'DTB Vision 2020' strategy covering the period 2011 to 2020, referred to as DTB 2.0, had several strategic objectives. These included pivoting DTB to a Tier 1 bank by deposits, being a sustainable deposit-led bank and playing a leading role in supporting economic development and leveraging our extended branch network as the prime customer acquisition and service delivery channel. The current DTB 3.0 Business Growth Strategy was launched in 2022 and implemented from 2023.

The DTB 3.0 Business Growth Strategy is anchored on three interconnected pillars: customer reach, digital transformation and sustainability excellence, each encompassing distinct performance areas and objectives, collectively positioning the Bank to respond effectively to the evolving operating environment and stakeholder expectations. Central to the DTB 3.0 Business Growth Strategy is for DTB to be socially economically relevant by living and achieving our ultimate purpose: to contribute to the improvement of the quality of life for all our stakeholders, delivering sustainable and impactful results that support advancement and long-term value creation.

DTB 3.0 BUSINESS GROWTH STRATEGY:



CUSTOMER REACH

	New customers acquired during the year:	GROUP 1,344,522	KENYA 119,275	UGANDA 25,671	TANZANIA 1,199,576
	Total customers by the end of 2025:	GROUP 4,499,599	KENYA 600,569	UGANDA 715,223	TANZANIA 3,183,807

At DTB, our commitment to impacting lives is exemplified through our Customer Reach strategic pillar. This pillar is central to our business growth strategy, ensuring that our products, services and interactions remain accessible, responsive and impactful for our diverse customer base.

Our Group's franchise strength is demonstrated by a significant increase in customers, which grew 8x since 2021 to 4.5 million in 2025, primarily driven by digital customers in Tanzania and Uganda. Across the region, this remarkable growth of customers and success of our ecosystem banking strategy underpins our growth and sustainability agenda by fostering trust, improving service quality and embedding customer-centricity throughout the organisation.

Customer reach strategic priorities:

i. Leveraging governance, technology, employee engagement and continuous improvement to deepen relationships with customers and stakeholders.

Our governance structures ensure that customer reach initiatives are sustainable and adaptive. Cross-functional forums, real-time dashboards and regular quality reviews drive accountability and continuous learning. Lessons learned, such as the importance of early stakeholder engagement and the need to balance automation with human intervention, are systematically integrated into our policies and future strategies.

ii. Translating customer insights into actionable improvements and optimising service delivery across all channels.

To improve customer experiences and optimise on operational efficiencies as we scale up, we have invested in time, resources and tools to simplify and optimise our products and processes. By mapping key processes and identifying pain points, we have deployed targeted automation (including 26 robotic process automation- RPA- bots) and streamlined credit and transaction workflows. These actions have reduced turnaround times, improved operational efficiency and enhanced overall customer experience, particularly for retail and SME clients.

iii. Complaint handling and resolution.

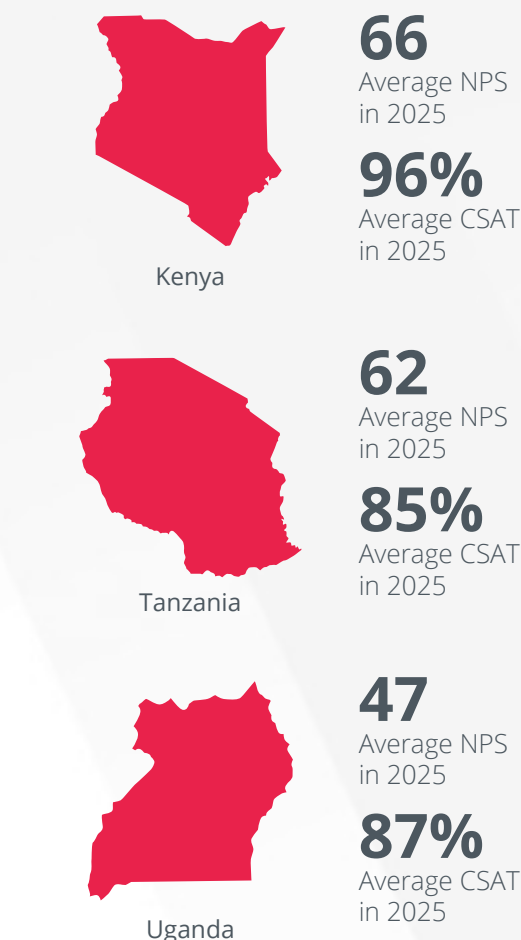
In accordance with prudential guidelines, the Kenya Banking Sector Charter and Financial Consumer Protection Regulation, the Bank is committed to resolving customer complaints within seven working days in Kenya, three working days in Tanzania and two working days in Uganda. For complaints unresolved within the specified timeframe, written updates on progress are provided to the customer every three or seven days as required.

iv. Service Excellence: Consistency and Quality at Every Touchpoint.

We are committed to embedding a culture of service excellence, ensuring that every customer interaction, whether in-branch, online, or via contact centre, meets high standards of quality and responsiveness. Through annual mystery shopping, regular training and structured feedback mechanisms, we have significantly improved key metrics such as Net Promoter Score (NPS) and Customer Satisfaction (CSAT), while earning industry recognition for our service innovation.

NPS and CSAT, together with various other indicators such as complaint resolution time and customer feedback influence and guide our business decisions and enable root-cause analyses.

NET PROMOTION SCORE (NPS) AND CUSTOMER SATISFACTION SCORE (CSAT)



v. Ensuring that our offerings remain relevant to the evolving needs of individuals, businesses and communities.

Through the customer experience function, the Bank has been able to strengthen customer trust through enhanced engagement and continue to meet the evolving needs of our customers. These efforts will continue to guide our priorities beyond FY2025 as we continue to meet our customers' expectations, deepen our relationships and achieve our goal of impacting lives.

vi. Omnichannel Engagement: Contact Centres and Social Meida.

We have prioritised the delivery of seamless, reliable and increasingly automated omnichannel support. The migration to a modern Customer Relationship Management (CRM) platform (Kati CRM) has enhanced our ability to provide a 360-degree customer view, centralised ticket management and improved issue resolution. Automation of routine interactions and ongoing agent upskilling have driven faster turnaround times and higher satisfaction, while maintaining a balance between technology and human empathy for complex issues.

vii. Hearing our customer's voice – 24/7.

- Always Available: DTB leverages technology to ensure customers can bank whenever they need to.
- DTB Duo (Juma and Natasha): our social media personalities, provide a fun and interactive way to learn about the bank, its products and services, as well as support any queries that may arise.
- Website support:
 - DTB Kenya <https://dtbk.dtbafrika.com/>
 - DTB Uganda <https://dtbu.dtbafrika.com/>
 - DTB Tanzania <https://diamondtrust.co.tz/>
- Mobile and online banking: the mobile app (m24/7) and internet banking platform (i24/7).
- Contact centre: The CRM platform allows our team access to customer profile to provide tailored assistance and cross-sell suitable banking products or services.

Recognising the growing importance of digital engagement, we have strengthened our presence across key social platforms. Our strategy focuses on timely, transparent and consistent interactions, supported by agent training and proactive customer education campaigns focused on financial literacy.

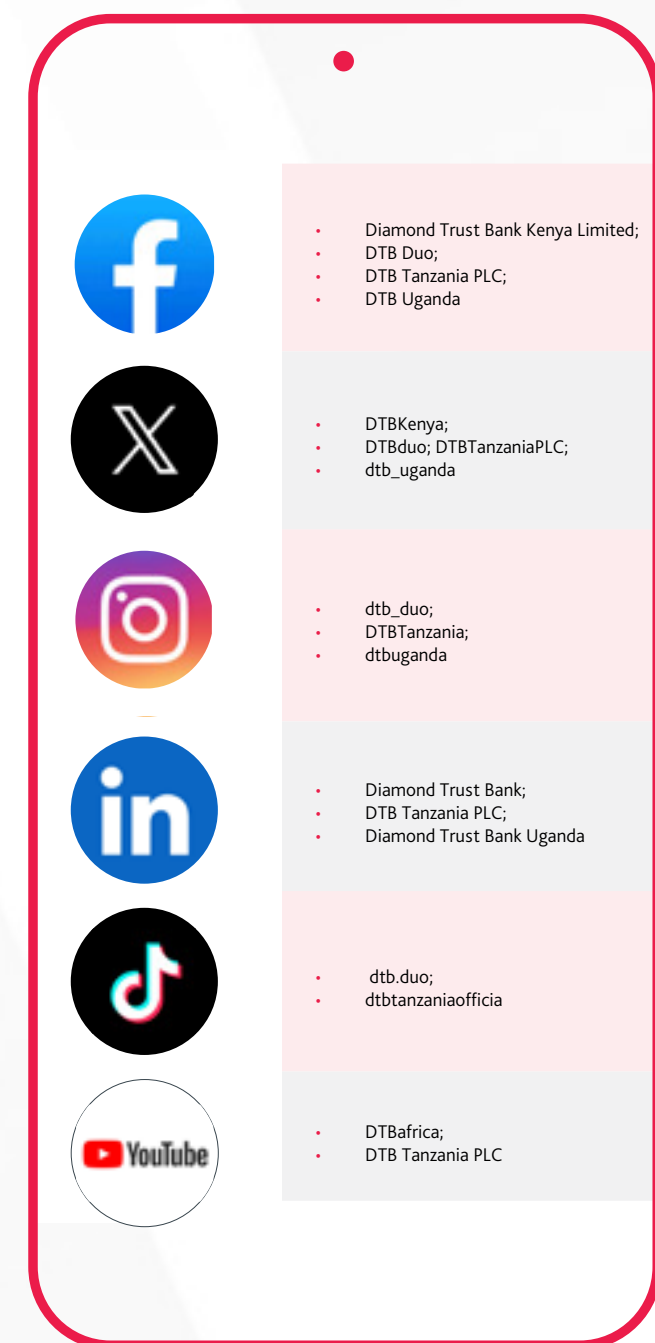
viii. Diversifying segments.

We are strengthening sector balance by expanding in public sector, agriculture and education, while deepening our established positions in trade, manufacturing, transport, construction and tourism.

ix. Geographic relevance.

The Group has seen growth of its branch footprint over the last couple of years, reflecting the scaling of its regional presence in tandem with its evolving growth strategy.

	Total branches	Kenya	Tanzania	Uganda
DTB 1.0 (2005)	10	5	4	1
DTB 2.0 (2011)	73	36	16	21
DTB 3.0 (2022)	130	67	29	34
Currently: 2025	157	92	29	36



Platform	Handles
Facebook	Diamond Trust Bank Kenya Limited; DTB Duo; DTB Tanzania PLC; DTB Uganda
X	DTBKenya; DTBDuo; DTBTanzaniaPLC; dtb_uganda
Instagram	dtb_duo; DTBTanzania; dtbuganda
LinkedIn	Diamond Trust Bank; DTB Tanzania PLC; Diamond Trust Bank Uganda
TikTok	dtb.duo; dtbtanzaniaofficiala
YouTube	DTBafrica; DTB Tanzania PLC





DTB Kenya Managing Director, Murali Natarajan, moved across the country to engage with customers from different communities during several customer engagement dinners.



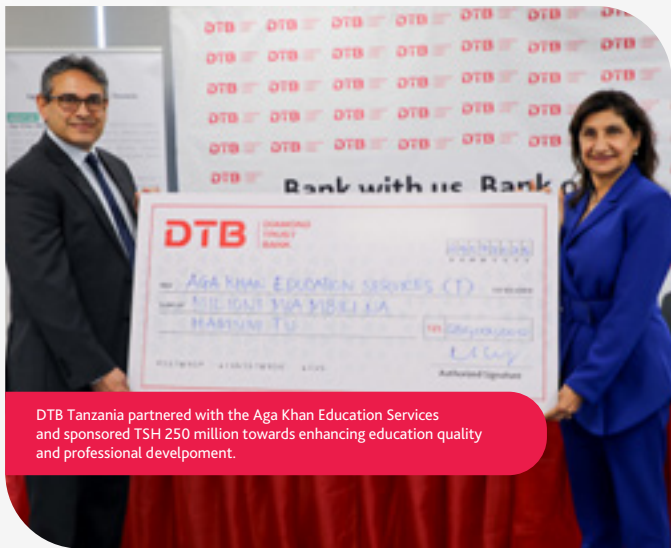
DTB Kenya proudly sponsored last year's Lamu Cultural Festival, a vibrant celebration of Swahili heritage and traditions. The festival provided a platform for the bank to engage with the community.



DTB Kenya hosted a golf tournament at Sigona Golf Club, fostering stronger relationships and facilitating meaningful conversations with customers.



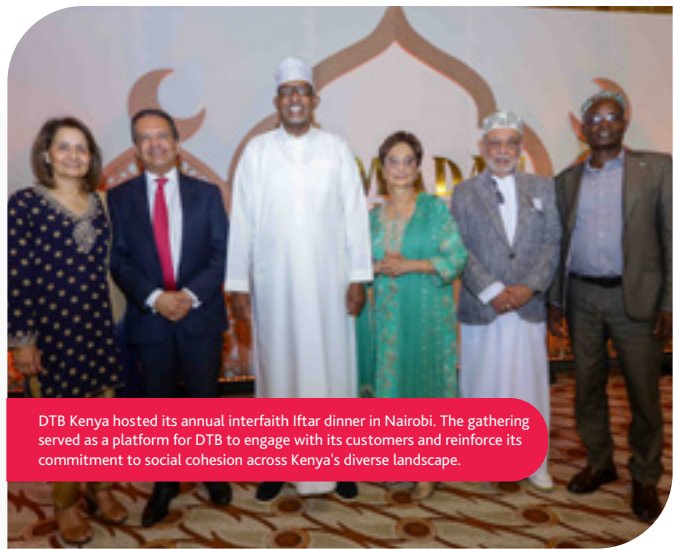
DTB Kenya hosted the Zawadi Women in Business breakfast, bringing together women from diverse industries as part of its ongoing commitment to empower women entrepreneurs by creating platforms that offer access to knowledge networks and financial solutions.



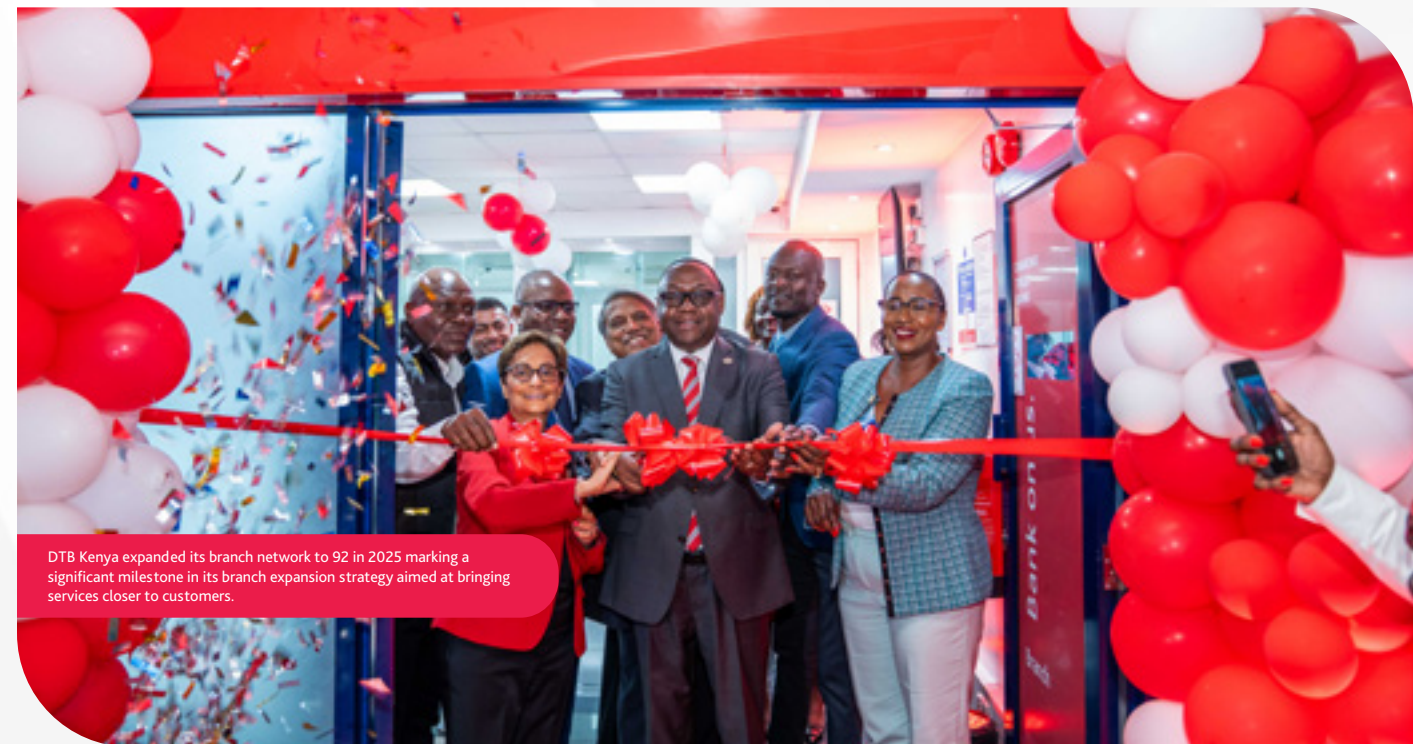
DTB Tanzania partnered with the Aga Khan Education Services and sponsored TSH 250 million towards enhancing education quality and professional development.



DTB Tanzania proudly celebrated with customers across the region during Customer Service Week 2025.



DTB Kenya hosted its annual interfaith Iftar dinner in Nairobi. The gathering served as a platform for DTB to engage with its customers and reinforce its commitment to social cohesion across Kenya's diverse landscape.



DTB Kenya expanded its branch network to 92 in 2025, marking a significant milestone in its branch expansion strategy aimed at bringing services closer to customers.



DTB Kenya held two Economic and Sustainability forums in 2025, providing a platform for engaging customers on the key economic and sustainability trends shaping 2025.



DTB Uganda was honoured with recognition from the Uganda Institute of Banking and Financial Services for its commitment to building capacity and empowering staff through continuous professional and academic development.

DIGITAL TRANSFORMATION

DTB's digital transformation vision is to 'become a technology company with a banking license'. This strategic ambition reflects our commitment to embedding technology at the heart of our operations, fundamentally reshaping how we deliver value to our customers and stakeholders. Rather than viewing technology as just a support function tool, we see it as a core enabler and catalyst for financial innovation. To this end, DTB applies technology not only for its transformation but to also drive socioeconomic relevance for our customers, communities and economies at large.

Accelerating our digital agenda:

In 2025, we began to see the fruition of the significant groundwork done in 2024 to create robust foundations for our digital journey and establish the structures and capabilities required to realise our transformation objectives. These coordinated efforts have begun to generate tangible impact across the Group, positioning DTB as a frontrunner in digital banking within our markets.

OVER 60 Million Digital transactions

89%

of payment transactions were conducted outside branch networks in 2025 (2024: 79.6%)

Digital partnerships

34

(2024:13)

Uptime on critical banking platforms:

99.6% – Kenya

99.7% – Tanzania

99.8% – Uganda

Progress through partnerships

Digital loans disbursed

DTBWEZA

Shs 2.59 Bn

Kwasa Kwasa

Ugx 232 Bn

RAFIKI LOAN

Tsh 21 Bn



Ugx

40 Bn

MGODI

Tsh 222.6 Bn

FURAHA

Ugx 981 Mn



DTB Kenya was awarded first runners up award for the best use of technology at the ICX Service Excellence Awards 2025.

A critical enabler of our digital transformation journey has been the collaboration with strategic non-banking partners such as FinTechs, start-ups, telcos and e-commerce platforms. Leveraging DTB's infrastructure and regulatory credentials, these partnerships have enabled us to deliver digital banking solutions such as mobile accounts, debit cards, digital lending and payment services to a wider audience. In 2025, DTB strengthened key partnerships through which we have continued to broaden our reach to new customer segments such as farmers, students and diaspora communities, while supporting revenue diversification. Most importantly, these partnerships have fostered the development of innovative, customer-centric solutions that enhance value, experience and loyalty.

DIGITAL TRANSFORMATION PILLARS

Our digital transformation agenda rests upon eight strategic pillars, each one driving specific initiatives and outcomes in 2025:



DIGITAL CUSTOMER SOLUTIONS:

Development of tailored digital applications integrated with our core banking system, delivering scalable and bespoke offerings.

KENYA

- Integration and provision of wallet services in hospitals to enable patients to load funds digitally and make hospital payments seamlessly.
- Successful launch of DTB Electronic Billboard (EBB) platform, which is an innovative solution developed in partnership with East Africa Tea Trade Association (EATTA), designed to simplify the tea auction and settlement process across the tea value chain.

TANZANIA

- Loan management portal development to cater for Private Sector Employees – paperless loan application process. End-to-end digitised loan application & processing with no human intervention.

UGANDA

- Integration of ATMs with wallet services to enable customers do cardless withdrawals both at ATM and Agent locations.
- Deployment of offsite recyclers to enable customers transact 24/7.



DIGITAL BANKING PLATFORM:

Investment in agile, next-generation digital banking platforms aligned to regional market needs.

- Significant growth in our app based digitised chama product "Bidii Chama", with successful onboarding of over 600 chamas and over 4,000 chama members.
- Successfully developed and deployed a WhatsApp Banking platform. This is in Pilot with staff and planned for go-live in Q2 2026.

- Omnichannel Banking: Modernisation of our Digital Banking Application and Internet banking under development.
- Upgrade and provision of an extended feature list on Corporate Banking Portal is ongoing.



DIGITAL PARTNERSHIPS:

Collaborations with FinTechs and technology partners to enhance our services and extend market reach.

KENYA

- Successful implementation of over 30 partnerships across various digital products cutting across Cards-as-a-Service (CaaS), Payments-as-a-Service (PaaS) and Wallets-as-a-Service (Waas) and with an automated e-KYC process. These partnerships have cumulatively produced over Shs 10Bn in throughput.
- DTB supported a government pension management fund to launch a card program.
- Our digital Insurance Premium Financing (IPF) product, launched in partnership with Jubilee Insurance, has seen positive adoption. We are currently exploring its extension to micro insurance and are onboarding two additional insurance companies.

TANZANIA

- UBX (Umoja Switch) local partnership for ATM transactions settlements amongst 16 banks with 800 + ATMs network.
- Airtel VCN partnership for Mastercard BIN sponsorship to cater for Airtel Money customers transactions online using virtual card.
- Partnership with the revolutionary government of Zanzibar (ZanMalipo) to facilitate collection of statutory government payments.

UGANDA

- Partnerships with Airtel and MTN BIN sponsorship are broadening DTB's card issuance and payment solutions.



DIGITAL LENDING:

Full digitisation of retail lending processes, delivering seamless customer journeys.

KENYA

- The Bank implemented an intelligent Debt Collection Module for retail loan products and credit cards. This has resulted in efficient debt collection processes within our credit collection and debt recovery units.
- The Bank increased the single transaction limits for DTB World and Platinum credit cards which has resulted in an increase in credit card utilisation.
- The Bank increased the RTGS and Pesalink transaction limits on mobile and internet banking from Shs. 500,000 to Shs. 1 Mn.
- Deployed an Artificial Intelligence solution to analyse bank statements, reducing delays in the analysis of customer statements from external banks while processing loan applications.

- Development is planned for a new Loan Origination and Management System that will be deployed in 2026, across Kenya, Uganda and Tanzania.

TANZANIA

- Rafiki Private Sector – Extending loans to private sector employees through loan portal and instant loan disbursements in real time.

UGANDA

- Launched a fully digital, 30-day micro-lending solution on the mobile banking platform, providing customers with instant access to short-term credit and reinforcing DTB's digital lending strategy.
- Integrated with Furaha, a digital lending solution offering unsecured school-fees loans with flexible three-month repayment terms, supporting education financing and expanding DTB's retail credit offering.



DIGITAL CUSTOMER EXPERIENCE AND ENABLEMENT:

Deployment of AI-driven contact centres and CRM systems to elevate customer engagement and satisfaction.

- The Bank migrated to a modern CRM platform to enhance our customers' experience through expanded channels and workflow automation:

- Rolled out Contact Centre Management and Customer Service Management capabilities.
- Delivered a 360-degree customer view, centralised ticket management and interaction history.
- Exploring AI-driven auto-responses for basic customer queries, planned for go-live in 2026.



CLOUD COMPUTING:

Migration of critical systems to cloud infrastructure, enhancing scalability, resilience and operational efficiency.

- Increased automation of routine customer interactions to improve efficiency and reduce turnaround times.
- Key workloads such as lending management solutions, cross-border payment systems, biller engines and customer support systems, now fully operate on our private cloud.

- Significant elevation of our cloud security posture through the adoption of zero trust principles, enhanced SOC monitoring and tighter third-party oversight, mitigating cyber and operational risks as we scale our digital ecosystem.
- In Tanzania, the cloud adoption initiatives include: migration of the Risk Management Software to the cloud and migration of email services from on-prem to M365.



DATA ANALYTICS AND ARTIFICIAL INTELLIGENCE:

Implementation of advanced data and AI capabilities to drive personalised customer interactions and informed decision-making.

- The appointment of departmental data stewards and the formation of a formal Data Stewards Working Group (DSWG) to enhance data accountability and management.
- Successful data extraction and integration were completed for key platforms, including Lending solutions and CRM platform.

- The successful rollout of Business Intelligence had a significant impact on the business by enabling real-time dashboards in both Kenya and Uganda. This empowered data-driven decision-making, improved performance visibility across RM, collections and operations and successfully reduced manual reporting effort
- Implementation of the Master Data Management solution in Tanzania.



ENTERPRISE DIGITISATION:

End-to-end digitisation of internal processes, eliminating paper-based workflows and boosting productivity.

KENYA

- Deployment of 26 Robotic process automation bots handling over 14,000 transactions per day, achieving almost 6 hours in handling time savings.
- Over 30 automation initiatives implemented with the primary objective of improving operational efficiency, reducing manual effort, enhancing control and strengthening customer experience. Some of the initiatives include the automation of:
 - Customer onboarding onto secure payment notification channels.
 - The migration of customer data across platforms.
 - Interpretation and validation of international payment messages.
 - Transaction reconciliation processes.
 - Screening of high value and real time transactions against internal watchlists, with potential matches escalated for further investigation.
 - Screening of corporate customers against government and regulatory notices.
 - The extraction of regulatory information from public notices to support compliance tracking, reporting and enforcement activities.



DTB Tanzania hosted a forum for women in the digital spaces aimed at enhancing professional development.

TANZANIA

- Automation of reconciliation of the Mgodi transactions using robotics. Reduce reconciliation timelines from 3 days to less than 10 minutes.
- Automation of payment flows for card transactions reducing TAT from 8 hours to 2 minutes.

UGANDA

Several automation initiatives were introduced to enhance operational efficiency reducing manual effort, strengthening controls and improving the overall customer experience, including:

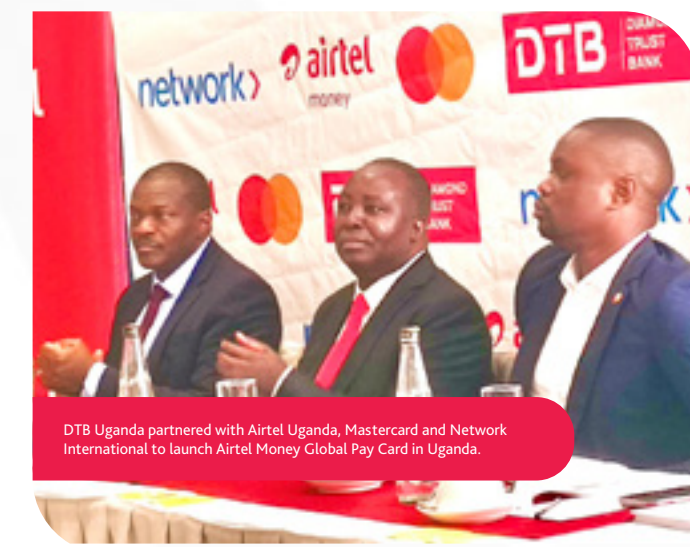
- Interpretation and validation of international payment messages.
- Transaction reconciliation processes.
- Screening of high value and real time transactions against internal watchlists, with potential matches escalated for further investigation.
- The strategic integration with Jubilee Life Insurance, enabling fully automated premium collections with real-time validation, instant setup feedback, automated receipting and reconciliation and reduced customer complaints and dormant policies. This initiative strengthens DTB's bancassurance offering and enhances the overall premium-payment experience.



DTB Kenya was awarded by Mastercard for achieving the highest credit card spend growth in Q1, Kenya.



DTB Uganda partnered with MTN MOMO, Mastercard and Network International to launch a virtual card by MOMO aimed at financial access through secure digital payments.



DTB Uganda partnered with Airtel Uganda, Mastercard and Network International to launch Airtel Money Global Pay Card in Uganda.

SUSTAINABILITY EXCELLENCE

To enable the Group to have a more holistic view of value creation and continue to lay a strong foundation for sustainable growth, the Bank developed a sustainability strategy that is fully aligned and integrated with our business growth strategy. This approach ensures that sustainability is not treated as a standalone initiative, but as an essential driver of innovation, risk management and long-term socio-economic relevance. DTB Group's sustainability strategy ensures the Group is well-equipped to navigate the challenges and opportunities presented by sustainability and climate-related issues, while creating enduring value for our stakeholders and the broader society.



Pillar 1: Climate Action and Net-Zero Strategy

DTB is committed to tracking its carbon footprint and achieving net zero in its own operations by 2030.



Pillar 2: Sustainable Financing

The Group integrates ESG considerations into its lending, credit and investment decisions, promoting financial products and services that support sustainable economic growth and resilience.



Pillar 3: Responsible Supply Chain

DTB works closely with suppliers to ensure responsible sourcing and ethical practices, mitigating risks associated with supply chain disruptions and reputational impacts.



Pillar 4: Employee Wellbeing and Development

The Group prioritises the health, safety and professional development of its employees, recognising that a diverse and engaged workforce is critical to long-term success.



Pillar 5: Partnerships

Strategic collaborations with reputable organisations enhance DTB's capacity to innovate and scale sustainability initiatives. DTB Group is a member of the United Nations Global Compact and, in 2024, became a signatory to the Principles for Responsible Banking under the UNEP Finance Initiative.



Pillar 6: Citizenship

DTB is dedicated to creating meaningful social impact through community investment programmes focused on financial literacy, education, health, environmental conservation and women empowerment.

PILLAR 1: OUR CLIMATE ACTION



DTB has established goals and monitoring metrics for its main climate-related risks and opportunities throughout its strategic sustainability process. One of the major goals of DTB is to achieve Carbon Neutrality in own operations by 2030. To achieve this goal, the Group is on a Net-Zero pathway to reduce emissions and offset what cannot be reduced. DTB launched the 'Much More Than Trees' initiative with the strategic decision to plant and grow 10 million trees across the region. Since the inception of the initiative in 2023, the Group has been able to cumulatively successfully plant over 1 million trees across the region.

We have planted over **one million trees** under our 'Much More Than Trees' initiative.

DTB's Scope 1 emissions cover all direct emissions from sources owned or controlled by it and the Scope 2 emissions cover all indirect emissions from the consumption of purchased electricity for all DTB branches, offices and facilities. To maximise our efforts in achieving carbon neutrality within our operations, in 2025 the Group successfully extended the measurement, tracking and reporting of our emissions to include Scope 3 business travel emissions from hired vehicles, taxis and flights used for business purposes.

DTB's approach to measuring, tracking and calculating our emissions is in line with the GHG Protocol. Under this, the Group's methodology to calculate our emissions uses input data from each scope activity and the respective emissions. The scope activity input data is collected and aggregated quarterly, from the following sources:

- **Scope 1:** Fuel consumption data (diesel and petrol usage for generators and vehicles) and Refrigerant data from air conditioning units.
- **Scope 2:** Electricity consumption data (monthly utility bills) and national grid emission factor.
- **Scope 3:** Air travel (distance travelled in km or flight segments from travel invoices), road travel (distance travelled in km from receipts or cab hailing app reports).

Our operational emissions have increased in line with business growth, driven by the expansion of our branch network and a larger workforce. In response, we are strengthening our emissions management through energy efficiency measures, including the rollout of solar power and more efficient technologies across our operations.



DTB Kenya reached its milestone achievement of growing one million trees and the 'Much More Than Trees' initiative.

The Group has been able to install solar energy systems, LED lights and motion sensors at our various branches and offices across the region. For our headquarter offices in Nairobi, Kisumu and Tanzania, the Bank has been able to install large capacity solar power plants to meet our energy needs. Such energy efficiency initiatives have resulted in our reduction in energy consumption from 8,735,660.10 kWh to 8,153,750.56 kWh.

Additionally, the Group has been adopting responsible waste management practices such as recycling paper, responsible disposal of our e-waste and biodegradable waste and use of bottle-less water dispensers.

In parallel, our 'Much More Than Trees' initiative supports long-term carbon sequestration as part of our broader climate strategy. Together, these efforts underpin our pathway to achieving net zero emissions in our operations by 2030.

Our energy efficiency initiatives resulted in a **reduction in energy consumption by 581,910 kWh.**

PILLAR 1: OUR CLIMATE ACTION CONT...

	2025 Performance	Mapping to Material Topic
Achieve carbon neutrality in operations by 2030.	GHG emission across the Group - Scope 1: 1,325.19 tCO2 - Scope 2: 1,295.56 tCO2 - Scope 3: 383.15 tCO2 Total energy consumed by DTB across the region: - Kenya - 4,464,808.21 kWh - Uganda - 2,021,281.75 kWh - Tanzania - 1,667,660.6 kWh	 ESG
Grow 10 million trees by 2030 across the region	'Much More Than Trees' initiative 2024: 516,220 trees planted across the region 2025: 740, 860 trees planted across the region	
Install solar energy systems in DTB-owned buildings across the region to provide up to 20% of their energy needs.	Additional solarisation at the head office campus in Kenya through installation of a 300 kW solar power plant. Installed solar energy systems at Arua and Kapeeka branches in Uganda. Average solar energy consumption in: DTB Centre, Nairobi: 14.93% Diamond Trust House, Kisumu: 30.6% DTB Centre, Dar es Salaam: 13%	
Adopt waste management practices	Recycled 46.9 tonnes of general waste and paper across the Group.	

PILLAR 2: SUSTAINABLE FINANCING

 In our efforts to be a regional leader in the sustainable finance space, the Group continues to offer dedicated financing options to support transition to a low carbon economy. In 2025, the Group has been able to successfully grow its green portfolio to 5.9% from 4% through the disbursements of green loans. In 2025, DTB Kenya began a partnership with Sun King to launch a solar financing product for salaried, retail customers in 2026.

Furthermore, in line with our Sustainability and Citizenship Masterplan, the Group is continuously integrating ESG factors into our lending and capital adequacy processes. Through our Environmental and Social Due Diligence (ESDD) process, all loans with ticket sizes of more than USD 1M are first screened through an exclusion list to identify potential risks, followed by a process to ensure that each loan meets the Group's sustainability and risk management standards. DTB has been able to successfully conduct ESDD for 1,639 of our commercial loans across the Group, reflecting our continued commitment to driving socio-economic relevance and sustainability excellence.



successfully grew green portfolio to

5.9%

through the disbursements of green loans and mobilising

KSH 18 bn

capital towards sustainable financing for green, social and blue projects.

PILLAR 2: SUSTAINABLE FINANCING CONT...

	2025 Performance			Mapping to Material Topic
	Kenya	Uganda	Tanzania	
To grow DTB's green portfolio from the 5.3% baseline established in 2023 by bringing at least one green savings or loan product to market.	Green portfolio growth: - Kenya – 6.28% - Uganda – 4% - Tanzania – 3.5% The Group value of the green portfolio stands at Shs.18 billion.			 ESG
	ESDD conducted for 1,639 facilities across the Group.			

PILLAR 3: RESPONSIBLE SUPPLY CHAIN

 Beyond just integrating sustainability considerations in DTB's enhanced supplier code conduct, which has successfully had a 100% uptake from our new suppliers, the Bank continues to work towards strengthening its supplier accountability through continued awareness sessions for suppliers and partners at large.

In Kenya, DTB hosted its third Annual ESG Forum for suppliers (since 2023) to strengthen ESG awareness and adoption. The forum featured businesses already implementing ESG, who shared practical lessons from their ESG adoption journeys. We hosted 134 suppliers and received positive feedback. We also advanced responsible procurement, spending Shs. 121 million across the Group with women-owned businesses. DTB continues to support responsible supply chains, by involving suppliers in our sustainability journey.



	2025 Performance			Mapping to Material Topic
	Kenya	Uganda	Tanzania	
100% uptake of enhanced supplier code of conduct	82% uptake with existing suppliers and 100% uptake with new suppliers.	90% compliance achieved with existing suppliers and 100% uptake with new suppliers.	28% compliance achieved.	 ESG
Maintain the number of all Bank suppliers sourced from locally based vendors at a minimum of 80%	81% of procurement spend is from locally based vendors.	90% of procurement spend.	90% of DTB suppliers.	
Hold one capacity building programme on sustainability practices for suppliers annually	1 One capacity building session for suppliers was held in each operating country across the region.	1	1	

PILLAR 4: EMPLOYEE WELLBEING AND DEVELOPMENT

 Our people are at the core of what we do. This is why at DTB, our employees' well-being and development is paramount. As a Group, we are committed to fostering a culture of diversity and inclusion, ensuring employee wellness and promoting the Group as an equal opportunity employer.

A vibrant and engaged workforce is crucial for the successful delivery of our business growth strategy. Our retention rate of 90.4% this year reflects our commitment to providing a holistic experience for our employees by ensuring that there is growth in their careers. This has been achieved by offering comprehensive learning opportunities where employees can acquire new skills and pursue their areas of interest.

In 2025, our employees spent a total of 114,571 hours on learning and development, with an average of 39 hours per employee across the Group and this included at least 11 training sessions on ESG awareness. Engaged employees are more likely to stay with an organisation, affording stability, continuity and institutional memory that provide a solid foundation for progress.



DTB Kenya staff volunteered to clean Westlands and South B along the Nairobi river in partnership with the Nairobi City County Government to keep the environment clean and encourage sustainable waste management.



	2025 Performance			Mapping to Material Topic
	Kenya	Uganda	Tanzania	
Target bank-wide female gender ratio to be 50% minimum by end of 2025.	47% Female	58% Female	49% Female	 Talent Strategy
	Thus achieving a Group gender ratio of 50:50			
Target ExCo female gender ratio of 40% by 2030	35%	18%	23%	
Increase number of employees living with disability to 3% of total workforce by 2030	As of 2025, 11 employees living with disability form part of the Group's total workforce.			
Employee Retention Rate	93%	90%	85%	
The cumulative number of training hours provided to all employees within the organisation	81,950 hours	20,371 hours	12,250 hours	
The average training hours per employee in the organisation	39 hours on average across the Group with a breakdown as below:			
	50.15 hours	30.18 hours	19 hours	 ESG
Hold at least two ESG awareness sessions for staff to embed a culture of sustainability from 2023.	The Group held at least 3 ESG awareness sessions for staff across all operating countries, including sessions on the Kenya Green Finance Taxonomy and the Climate Risk Disclosure Framework. To promote Group knowledge sharing, key department representatives from across the Group attended these sessions.			
	Particularly in Kenya, the Bank held the following ESG awareness sessions: - A sustainability refresher training for 97 sustainability champions within the Bank. - Solar financing training conducted with Branch and Customer Experience Staff, registering an attendance of over 430 participants. 10 sessions on health, physical and financial wellbeing conducted with an attendance of over 1,000 staff.			

PILLAR 5: PARTNERSHIPS

 Strategic partnerships with credible like-minded organisations form a core element of DTB's sustainability agenda. These amplify the profile, reach and impact of the Bank's key sustainability and citizenship initiatives, enabling the creation of innovative solutions to further deepen access to formal financial services.

DTB continues to expand its network and create new meaningful partnerships through our membership participation of the United Nations Global Compact, UNEP-FI and collaboration with government agencies.



DTB Kenya hosted an insightful workshop for over 100 women entrepreneurs from the ROSE Women's Foundation designed to equip them with practical skills in digital literacy, social media management and financial empowerment.

	2025 Performance			Mapping to Material Topic
	Kenya	Uganda	Tanzania	
Digital partnerships	26	5	3	 Digital Transformation

PILLAR 6: CITIZENSHIP

 Citizenship is at the heart of the Group's commitment to creating meaningful social impact. In 2025, DTB allocated Shs. 91,654,576 towards the implementation of 26 community development programs across the Group and the scaling of our existing citizenship initiatives.

The Group's efforts to engage directly with the communities we serve is a firm wide initiative with all employees and staff contributing their time throughout the year to ensure our initiatives create lasting, sustainable benefits. In 2025, DTB employees across the Group spent a total of 3,306 hours engaging in local community development programmes and initiatives, showcasing DTB's commitment to embedding a culture of sustainability.

In line with our business growth strategy which aims to impact lives, the Group continues to launch initiatives and programmes focused on women and girl child economic empowerment. One of our key initiatives, launched in 2020, is the **#AchieveMoreGirl** programme that is focused on increasing the girl child confidence to **#AchieveMore**. By addressing period-related challenges, the programme aims to ensure uninterrupted access to education and in 2025, the Bank reached 17,500 girls across the region.

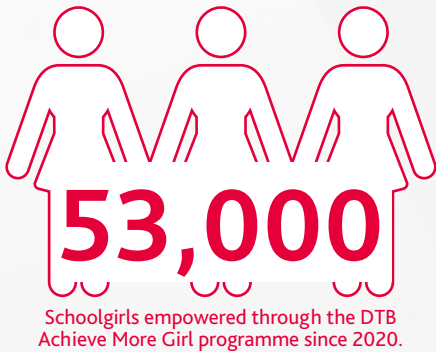
Furthermore, the Group is committed to fostering financial inclusion and empowering individuals to be active, financially literate participants in the economy. DTB offers financial literacy initiatives for unbanked, underbanked and underserved customers and in 2025, we reached 12,808 participants through a variety of channels that focussed on personal finance training, SME training, business team trainings and training women through the ROSE Women's Foundation.



DTB Kenya's flagship Achieve More Girl initiative reached its milestone achievement of impacting 30,000 school girls in 2025 by providing them with sanitary kits and menstrual hygiene education.

PILLAR 6: CITIZENSHIP CONT...

Collectively, these initiatives reflect DTB Kenya's ongoing commitment to fostering financial inclusion, supporting entrepreneurship and creating lasting positive change in the communities we serve.



	2025 Performance	Mapping to Material Topic
Number of employees volunteer hours spent in local community development programs implemented	3,306 employee volunteer hours spent in local community development programs implemented across the Group.	 Talent Strategy
Support 30,000 schoolgirls from marginalised communities with sustainable menstrual health products by 2025.	17,500 schoolgirls reached across the region in 2025. 53,000 girls reached since 2020	 ESG
Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	12,808 participants across the region.	



ASSESSING AND MANAGING/RESPONDING TO OUR SUSTAINABILITY RISKS & OPPORTUNITIES

The Group's sustainability strategy is integrated across the value chain and business model. Sustainability considerations underpin the Group's approach to managing internal operations, developing new products and services and engaging with customers and the community. Across all facets of business and operations, DTB seeks to mitigate associated risks while delivering measurable outcomes that create positive impact for our stakeholders. The model of our business value chain is depicted below.

Pillars	Effect on value chain		Effect on business model	Current and Future Anticipated Impact on Financial Position and Performance
Pillar 1: Climate Change and Net Zero	Upstream	Leased branch premises	Leasing branch premises rather than owning them provides DTB with greater flexibility to scale our operations up or down in response to market demand. This is particularly valuable for our branch expansion into new regions or new service models.	- Leasing our branches and buildings continues to improve our balance sheet efficiency by converting large capital expenditure into predictable operating expenses. This enhanced our strategic decision making for capital and resource allocation. - Designing new branches with a bias towards a more modular fit out that allow for technological upgrades and operational efficiency and scalability.
Pillar 3: Responsible Supply Chain		Purchased goods and services	Supplier selection integrates ESG compliance through an enhanced Supplier Code of Conduct	Spending 11% of procurement budget on SMEs, women, youth and PWD-owned enterprises by 2030.
Pillar 2: Sustainable Finance	Downstream	Use of financial products and services	- Grow the Bank's green portfolio by offering green loans and sustainability-linked financing to support customers' transition to low-carbon economy. - Lending decisions apply ESDD for screening high-risk sectors. - Applying IFC Performance Standards for projects with larger exposures. - DTB assesses the impact of climate change on customer outlook, sectors and asset valuations, ensuring that our credit strategy remains aligned with sustainability goals and regulatory requirements.	- Green portfolio counts for 5.9% of overall lending portfolio across the Group. - Shs. 18 billion disbursed towards financing options to support transition to low carbon economy. 1,639 commercial loans valued at > USD 1M underwent an ESDD processes in the Group.
Pillar 5: Partnerships		Use of digital financial products and services	- Expansion of digital banking platforms with our digital partners. - Personalising services and enhancing digital touchpoints. - Drive cost optimisation and revenue growth from new digital products.	- Digital transactions worth Shs 60,766,549. - Value of digital loans disbursed worth Shs 11,338,101,618.
Pillar 6: Citizenship		Use of financial services	Engage in workshops and sensitisation programmes for individual customers, SMEs and MSMEs clients on financial literacy skills.	Allocated Shs 91, 654, 576 towards the implementation of 26 community development programmes that included financial literacy programmes.

Pillars	Effect on value chain		Effect on business model	Current and Future Anticipated Impact on Financial Position and Performance
Pillar 1: Climate Change and Net Zero	Operational	Bank Operations	- Solarisation of bank branches and buildings. - Implementing power management strategies for computers and office equipment. - Automation of back-office processes and enhanced cybersecurity measures.	
Pillar 4: Employee Well-being and Development			- Increase awareness of staff to embed culture sustainability internally. - Upskilling for digital readiness to mitigate risks related to skills shortages and enhance productivity.	114,571 hours on learning and development across the Group.



OUR BUSINESS MODEL

Resources

Financial capital

We utilise our robust capital foundation and a variety of deposit sources and funding streams from both investors and clients to assist our clientele.

KR

CR

SR

MR

RR

Resources utilised

Deposits: Shs. 509.1 Bn

Loans and advances: Shs. 324.2 Bn

Shareholder equity: Shs. 101.1 Bn

Assets: Shs. 659.1 Bn

Manufactured Capital

Our business framework and operational procedures, comprising tangible assets like property and equipment, alongside digital assets such as digital products and IT systems, form the structural backbone that dictates our business operations and value creation mechanisms.

KR

CR

SR

OR

CIR

MM

DT

CE

CO

MMR

Intellectual Capital

Our intangible assets, such as brand reputation, franchise value, research and development prowess, innovation capabilities, accumulated knowledge, expertise, and strategic partnerships, play a vital role in the expansion of our business.

KR

CR

SR

CLR

RR

MM

MMR

ESG

CO

Human Capital

Our organisational culture, workforce, shared knowledge, diverse skill sets, and extensive experience collectively empower us to develop innovative and competitive solutions for our clients, thereby generating value for all stakeholders involved.

KR

SR

HCR

CR

OR

RR

MM

TS

DT

ESG

Social & Relationships Capital

Our connections with stakeholders, including the communities we engage with, are pivotal to our operational environment.

KR

SR

MR

RR

MM

CE

ESG

CO

Natural Capital

The direct utilisation and effect we exert on natural resources within our operations, encompassing energy, water and climate considerations, as well as our broader influence via our business activities.

KR

BC

CR

OR

MM

ESG

MMR

CO

How we create value

Our business model

Sustainability excellence

Outputs

Inputs

Our strengths

Socio-economic relevance

Leadership

Customer Obsession

Partnerships

Trade finance & corporate services

Digital banking

Bancassurance

Custodial business

Savings & deposits

Payment & remittances

Loan & credit facilities

Branch expansion

Community investments

Total tax contribution

Net profits

Employees

Deposits

Loans

Customers

Emissions

Digital transformation

Customer reach

DT

CE

CO

MMR

ESG

KR - Key risks

1. CR

Credit risk

2. OR

Operational risk

3. MR

Market risk

4. CIR

Cyber/it risk

5. SR

Strategic risk

6. LR

Liquidity risk

7. CRR

Compliance and regulatory risk

8. RR

Reputational risk

9. ESG

ESG and climate related risk

MM - Material matters

DT

Digital Transformation

TS

Talent Strategy

CE

Customer Experience

CO

Competitiveness and Opportunities

MMR

Macroeconomic/ Market Risks

ESG

ESG

Our impact

Net interest income: (NII): Shs. 34.9 Bn.

Non-interest income: Shs. 10.5 Bn.

Loans advanced: Shs. 141.4 Bn.

Customer base: 46.40% growth

Cost-to-income ratio: 50.2%

Return on equity (ROE): 10.3%

Return on assets (ROA): 1.7%

Branch network coverage:

• 6 new branches

Transaction Volume:

• 60.7 Mn. digital transactions

• 7.58 Mn. branch transactions

Digital channel products: 17

Customer reach:

• Four new branches opened by the end of FY2025

Knowledge sharing:

• 114,571 hrs. employee training

Innovative products:

New banking products and services in 2025:

• Insurance Premium Financing

• Electronic Billboard Platform for Tea Industry

• Loan management portal for private sector employees

Customer growth:

• 45% growth in customer base and revenue

Training hours delivered:

• 39 hours per employee annually

Job Creation:

• 412 employees hired in FY2025

Employee retention rate:

• 90.4%

Customer touchpoints:

• 0.6% decrease in branches;

1.16% increase in ATMs

Customer grievances Resolved:

• 16,206 issues addressed

Citizenship initiatives completed:

• 26

Customer satisfaction:

NPS:

• DTBK – 66

• DTBT – 62

• DTBU – 47

CSAT:

• DTBK – 96%

• DTBT – 85%

• DTBU – 87%

Tax contribution:

• Shs. 9.02 Bn.

Energy improvements:

• 14.93% savings in energy consumption at DTB Centre - Nairobi due to solarisation of buildings .

• 30.6% savings in energy consumption and bill savings at DT House - Kisumu.

• 13% savings at DTB Centre Dar-es-Salaam.

Waste reduction:

• 46.9 tonnes of general waste and paper recycled

Total Emissions: 2,774.6 tCO2e

• Scope 1: 1,325.19 tCO2e

• Scope 2: 1,295.56 tCO2e

• Scope 3: 383.15 tCO2e (Business travel category)

60

IMPACTING LIVES

IMPACTING LIVES

61

CLEANING THE STREETS

We are dedicated
to making the city cleaner
through community action,
environmental responsibility,
and shared pride in
the place we call home.



OUR IMPACT NETWORK

- 65 Material matters determination process
- 66 DTB material matters
- 70 Creating value for our stakeholders
- 76 DTB talent strategy

MATERIAL MATTERS DETERMINATION PROCESS

In order to adhere to corporate reporting standards, we adopted a double materiality analysis to gain a thorough understanding of the issues that shape our approach to managing risks and opportunities, as well as those that most significantly influence our ability to create long-term value for stakeholders.

Double materiality is a framework commonly used in sustainability reporting and corporate strategy, evaluating the importance of issues from two perspectives:

1. Financial materiality, which considers how sustainability-related matters impact the Group's financial performance and value creation; and

2. Impact materiality, which examines how the Group's activities, products and services affect society, the environment and the wider economy.

By considering both aspects, the double materiality concept provides us with a holistic view of sustainability, balancing the Group's business priorities with its societal responsibilities.

Our double materiality process involved the following four key steps:

1 IDENTIFY

Engage with internal and external stakeholders—including investors, customers and employees—to gather different perspectives, understand challenges and expectations and pinpoint issues that could affect our business and our ability to create, preserve, or erode value.

2 ASSESS AND PRIORITISE

For financial materiality: Evaluate economic, environmental and social factors that may influence the Group's financial performance. For impact materiality: Analyse the Group's effect on economic, environmental and social outcomes. Prioritise the most relevant and significant issues within our operating context.

3 INTEGRATE

Embed the validated material matters into our decision-making, strategy, six capitals and target-setting processes.

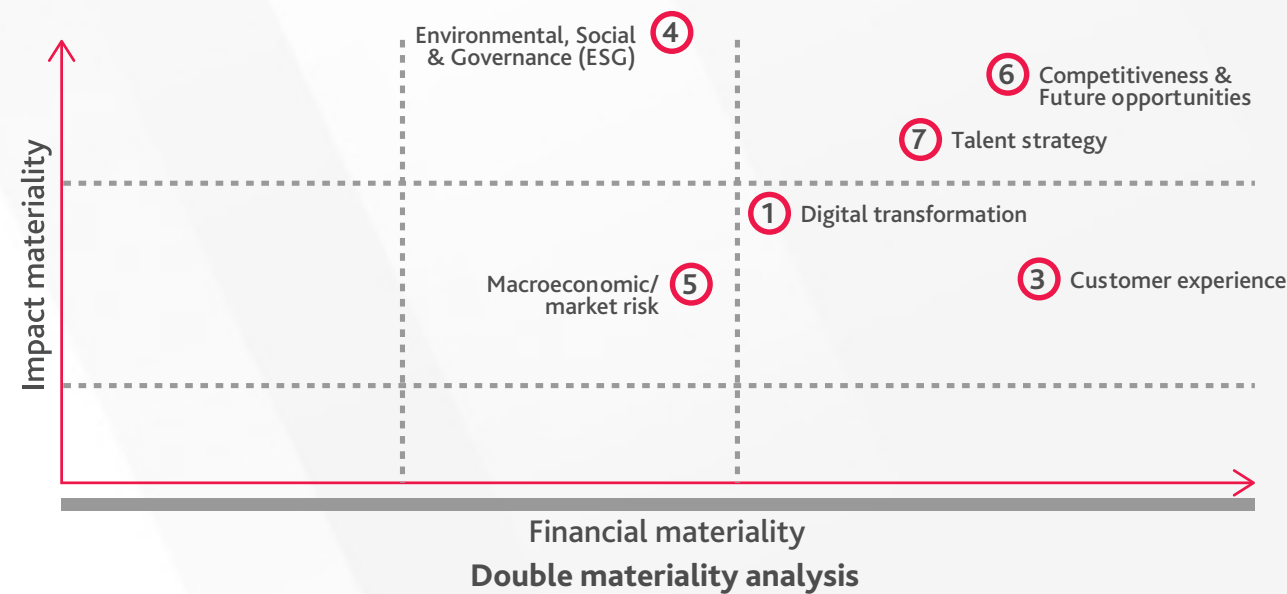
4 MONITOR

Continuously review material issues and their management to ensure our strategy remains responsive and effective.



DTB MATERIAL MATTERS

For DTB, materiality determination is a Groupwide responsibility that requires input from our businesses, an assessment of the risks and opportunities in our operating environment and feedback from our various stakeholders. Informed by the double materiality analysis, the determined material issues steer our actions to tackle possible risks and opportunities that have the most impact on our ability to create long-term value for our stakeholders. The material issues consider financial materiality, which is the impact of sustainability related issues on the business and impact materiality, which considers the impact of the business on environmental and social issues.



Material Topic: Digital Transformation 		
The strategic adoption and integration of advanced digital technologies across all business operations, products and services.		
Opportunities and Impact on Business Model: Expansion of digital banking platforms , automation of back-office processes and enhanced cybersecurity measures. Improve financial inclusion, operational efficiency and customer access , while also reducing the environmental footprint through paperless transactions. Drive cost optimisation, revenue growth from new digital products and strengthen DTB's competitive position in a rapidly evolving banking sector.	Capitals Impacted Financial Capital Growth of revenue streams. Financial loss because of potential fraud, cybercrime and data loss. Increase of digital transactions. Increase of digital loans disbursed. Manufactured Capital Increase of uptime on critical banking platforms. Decrease of branch transactions. Social and Relationships Capital Potential increase of reputational risk due to fraud, data leakage and other security breaches. Increased financial inclusion by expanding customer reach and closing the digital divide. Improved customer experience and safety. Intellectual Capital Increased number of digital channel products launched to the market. Increase of digital partnerships. Human Capital Increased productivity and operational efficiency. Upskilling and reskilling of workforce to meet customer demands and drive retention.	
Link to Strategic Pillars Digital Transformation: becoming a technology company with a banking license. Customer Reach: ensuring that our products, services and interactions remain accessible, responsive and impactful for our diverse customer base.	Principal Risks Affected - Cyber/IT Risk - Operational Risk - Strategic Risk - Compliance and Regulatory Risk - Reputational Risk	Stakeholders Impacted - Customers - Employees - Regulators - Investors and Shareholders
 		

Material Topic: Talent Strategy 		
Encompasses the attraction, development, engagement and retention of a diverse and skilled workforce aligned with the Group's long-term vision.		
Opportunities and Impact on Business Model: Upskilling employees for digital readiness , fostering an inclusive culture and implementing robust succession planning. Value creation through cultural and diverse inclusivity , creating distinctive market competitiveness. Establish DTB as an employer of choice across the region and reducing brain drain. Talent management supports employee wellbeing, social mobility and leadership in sustainability. An effective talent strategy mitigates risks related to skills shortages , enhances productivity and underpins DTB's ability to execute its business strategy.	Capitals Impacted Financial Capital Improved financial performance as result of highly engaged and productive workforce. Social and Relationships Capital Increased cultural dissonance due to growing employee base. Increase/decrease of CSAT. Enhanced customer experience. Diverse workforce. Intellectual Capital Growth of innovation that leads to game-changing solutions that drive financial inclusion and increase customer base. Slow adaption to new technology and processes. Human Capital Increased/decreased job satisfaction and retention rate due to digital transformation. More inclusive work environment. Increase/decrease of retention rate.	
Link to Strategic Pillars Customer Reach: ensuring that our products, services and interactions remain accessible, responsive and impactful for our diverse customer base. Sustainability Excellence: ensuring overall well-being and professional development of our employees. Embed a culture that promotes diversity, equity and inclusion.	Principal Risks Affected - Operational Risk - Reputational Risk - Strategic Risk	Stakeholders Impacted - Employees - Customers - Investors and Shareholders
   		

Material Topic: Customer Experience 		
The holistic perception and satisfaction of customers throughout their interactions with the Bank, both digitally and in-person.		
Opportunities and Impact on Business Model: Personalising services, streamlining complaint resolution and enhancing digital touchpoints. Accessibility and financial empowerment , especially for underserved communities. Customer experience drives loyalty, reduces churn and directly supports revenue growth and market share.	Capitals Impacted Financial Capital Growth of customer base and revenue. Increase/decrease in customer retention rate Manufactured Capital New branches opened by end year of FY25. Decrease of branch transactions. Growth of ATMs and branches. Intellectual Capital New banking products and services launched. Social and Relationships Capital Increase/decrease of customer satisfaction metrics (NPS and CSAT scores) Growth in social media interactions.	
Link to Strategic Pillars Customer Reach: ensuring that our products, services and interactions remain accessible, responsive and impactful for our diverse customer base. Digital Transformation: becoming a technology company with a banking license.	Principal Risks Affected - Operational Risk - Reputational Risk - Strategic Risk	Stakeholders Impacted - Employees - Customers - Investors and Shareholders
 		

DTB MATERIAL MATTERS CONT...

Material Topic: Environmental, Social and Governance (ESG)		
Encompasses the integration of environmental stewardship, social responsibility and robust governance practices into all aspects of the Bank's operations.		
Opportunities and Impact on Business Model: Sustainable finance: Climate and sustainability risks have driven DTB to embed ESG principles into its core business model. The bank has committed to mobilise and scale capital deployment to drive social and environmental change, including inclusive development and the transition to a low-carbon economy through providing finance for investments by customers in sustainable assets and practices. Enhanced credit risk management: The Bank integrates Environmental, Social and Governance (ESG) factors into its credit analysis to strengthen risk assessment and promote sustainable lending. Net Zero Commitment: Operational decisions now include measures (solarisation on branches, waste management, replacement of traditional lighting with energy-efficient LED lighting, maintaining and upgrade air conditioning systems, implementing power management strategies for computers and office equipment) to achieve carbon neutrality by 2030 for own operations (Scope 1 & 2).	Capitals Impacted • Natural Capital Increase of trees planted across the region. Improvement in GHG emissions reduction efforts. Extended the measurement, tracking and reporting of GHGs emissions to include Scope 3 business. travel emissions for business purposes. • Financial Capital Portfolio and revenue diversification with a steady growth of the Bank's green portfolio. Increased impairments risk due to the growth of assets and business activities vulnerable to climate-related transition and physical risks. • Manufactured Capital Increase/decrease of total energy consumption across the organisation as a result of energy efficient technologies. Increase/decrease of EDGE certified DTB buildings and branches. Enhanced waste management practices resulting in an increase of waste recycled. • Social and Relationship Capital Scale of existing strategic partnerships focused on renewable energy, sustainable finance and climate risk. Potential reputational damage if DTB Group cannot deliver on its sustainability commitments. • Human Capital Continued ESG awareness sessions for staff to embed a culture of sustainability. Increase of staff members to volunteer hours in the Bank's Corporate Social Investment Programmes.	
Link to Strategic Pillars Sustainability Excellence: ensure the Bank is well-equipped to navigate the challenges and opportunities presented by sustainability and climate-related issues, while creating enduring value for our stakeholders and the broader society.	Principal Risks Affected • ESG and climate-related risk • Credit risk • Operational risk • Reputational risk • Compliance and regulatory risk • Strategic risk	Stakeholders Impacted • Community • Regulators and Government Authorities • Suppliers and Business Partners • Investors and Shareholders • Customers • Employees
7 SUSTAINABLE AND CLEAN ENERGY 13 CLIMATE ACTION 11 SUSTAINABLE CITIES AND COMMUNITIES 17 PARTNERSHIPS FOR THE GOALS		

Material Topic: Macroeconomic / Market Risk	
Refers to the potential adverse effects on DTB's performance arising from changes in the broader economic environment, such as inflation, interest rates, foreign exchange volatility and political developments.	
Opportunities and Impact on Business Model: Actively monitored market and macroeconomic factors and adapting the Bank's risk management framework to safeguard financial stability. Protecting profitability, asset quality and capital adequacy. Effective management supports economic stability and confidence among stakeholders.	Capitals Impacted • Financial Capital Recent political unrest may temporarily impact key sectors of DTB's loan portfolio. Increased costs to comply to evolving regulations. Potential regulatory fines and penalties in the likelihood of non-compliance. Volatile and inconsistent inflation and FX rates across the region. Risk of foreign currency cross-border payments. • Social and Relationship Capital Sound and positive relationship with regulators, government authorities and business partners. Stringent regulations and dynamic compliance journey may affect customers and suppliers' experiences. Potential reputational damage due to non-compliance.

DTB MATERIAL MATTERS CONT...

Material Topic: Macroeconomic / Market Risk		
Refers to the potential adverse effects on DTB's performance arising from changes in the broader economic environment, such as inflation, interest rates, foreign exchange volatility and political developments.		
Link to Strategic Pillars Customer Reach: ensuring that our products, services and interactions remain accessible, responsive and impactful for our diverse customer base. Digital Transformation: becoming a technology company with a banking license. Sustainability Excellence: ensure the Group is well-equipped to navigate the challenges and opportunities presented by sustainability and climate-related issues, while creating enduring value for our stakeholders and the broader society.	Principal Risks Affected • Market risk • Credit risk • Liquidity risk • Operational risk • Reputational risk • Compliance and regulatory risk • Strategic risk	Stakeholders Impacted • Investors and Shareholders • Customers • Regulators and Government Authorities • Suppliers and Business Partners • Community
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 16 PEOPLE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS		

Material Topic: Competitiveness and Future Opportunities		
The Group's ability to innovate, adapt and capture emerging market trends to sustain growth and create long-term value.		
Opportunities and Impact on Business Model: Launch of new products, expanding partnerships and investing in technology and talent. DTB's contribution to sectoral development and socio-economic progress. Continued relevance, market leadership and the ability to generate sustainable returns in a dynamic banking landscape.	Capitals Impacted • Financial Capital Financial inclusivity of customers and community increases earning potential and boosts the economy. Diversifying revenue streams. • Intellectual Capital Continued innovation to launch new products and services to meet clients evolving needs and demands. • Social and Relationship: Reputational gains from DTB's investments in citizenship initiatives that promote socio-economic relevance for the communities in which we operate in. Enhanced customer experience and service excellence.	
Link to Strategic Pillars Customer Reach: ensuring that our products, services and interactions remain accessible, responsive and impactful for our diverse customer base. Digital Transformation: becoming a technology company with a banking license.	Principal Risks Affected • Strategic risk • Market risk • Operational risk • Reputational risk	Stakeholders Impacted • Customers • Investors and Shareholders • Employees • Community
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 16 PEOPLE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS		

CREATING VALUE
FOR OUR STAKEHOLDERS

Customers		
 Quality of Relationship: Positive The quality of relationship with our customers is assessed by taking into consideration the following global customer service metrics to evaluate customer satisfaction: • Net Promoter Score (NPS) • Customer Satisfaction (CSAT) • The customer effort score (CES) • New customer acquisition rate (NCA) • Complaint resolution time - maintained 100% service target for responsiveness.		
Customers key concerns and expectations	How do we engage with customers?	
Seamless Service Experience: Customers expect fast, reliable service through digital channels, especially social media. Balanced Automation and Human Interaction: While automation enhances efficiency, customers value the ability to access human interaction for support complex or sensitive matters. Effective Feedback Mechanisms: Customers want their feedback to be acknowledged, acted upon and closed out through a transparent, closed-loop process. Personalised Solutions: As financial needs become more sophisticated, customers expect tailored products, clear communication and proactive support from the Bank.	The Pain Points Initiative: The PIPO team (Process Innovation & Process Optimisation Unit) leads an internal initiative to collect and analyse customer pain points. The exercise is aimed at targeting improvements in the customer journey, with the goal of enhancing customer satisfaction. Customer Feedback Collection: The Bank actively engages branch teams to encourage customers to share their experiences and suggestions. Monthly CX Review Sessions: Customer service managers from all branches participate in monthly sessions to review customer complaints, analyse customer service metrics performance and discuss overall service performance.	
Our value-creating response		
• Collaboration with internal teams to launch digital engagement initiatives, including a YouTube show and undertake proactive financial literacy campaigns with customer education content such as sharing financial tips and promoting fraud awareness through the 'Kaa chonjo' campaign. • DTB has embedded social media growth into channel strategy and staffing models • Strengthening customer feedback loops and complaint resolution mechanisms. • Establishing service quality benchmarks across branches and channels.		
Material Matters Impacted	Associated Principal Risks	Capitals Impacted
• Customer Experience • Talent Strategy • Digital Transformation	• Strategic risk • Market risk • Operational risk • Reputational risk	• Financial • Social and relationships • Human

CREATING VALUE FOR OUR STAKEHOLDERS CONT...

Employees		
	Quality of Relationship: Stable The quality of relationship with our employees is assessed by evaluating the following metrics: • Performance Reviews and Key Performance Indicators (KPIs) • Employee Engagement Feedback- Engagement surveys, town halls and HR-led feedback sessions • Diversity and Inclusion Metrics – 50% female staff and 50% male staff • Professional Development – Increase of average training hours per employee from 20.5 in 2024 to 39 in 2025 • Union Membership – Increase of unionised staff from 427 in 2024 to 550 in 2025 • Employee Retention Rate – 90.4%	
	Employees key concerns and expectations	How do we engage with our employees?
Professional Development: Employees value opportunities for continuous learning, skills development and career advancement. Recognition and Feedback: Regular, constructive feedback and recognition of achievements from management Competitive Remuneration and Benefits: Fair and competitive compensation and benefits. Inclusive and Healthy Culture: A safe, inclusive and supportive work environment that values diversity and well-being across the Group	Relationship managers, product teams and customer service staff hold weekly or bi-weekly meetings to ensure alignment on client needs, service excellence and the resolution of any challenges. Senior management and departmental heads engage with teams at least quarterly to review performance, share strategic updates and address operational matters. Key concerns around health & safety, financial security, career growth, work-family balance and DEI are addressed with targeted wellness and financial literacy programmes and extensive training hours.	
Our value-creating response		
• Employees have access to ongoing learning opportunities, including technical skills training, digital literacy and industry certifications, to keep pace with evolving market demands. • We offer a suite of leadership and wellness programmes, with at least 15 dedicated trainings annually, to build managerial capacity and support holistic well-being. • Structured mentorship initiatives and succession planning by ensuring each branch and department has at least one trained successor, supporting career growth and organisational resilience.		
Material Matters Impacted	Associated Principal Risks	Capitals Impacted
• Talent Strategy • Digital Transformation	• Strategic risk • Operational risk • Reputational risk	• Human • Financial • Social and relationships

CREATING VALUE FOR OUR STAKEHOLDERS CONT...

Investors and Shareholders		
 Quality of Relationship: Positive The quality of relationship with our investment community is assessed by taking into consideration the following metrics: • Dividend Payments and Shareholder Returns – RoE of 10.3% • Financial Performance and Capital Strength – Growth of balance sheet with our total assets worth Shs. 659.1 Bn, total liabilities worth Shs. 546.1 Bn and net profit of Shs. 10.7 Bn		
Investors & Shareholders key concerns and expectations	How do we engage with our Investors & Shareholders?	
Strong Governance and Leadership: Investors expect a competent management team with robust governance structures and strategic clarity. Transparent Reporting: Regular, accurate and transparent financial and operational disclosures are essential. Sustainable Growth and ESG Practices: There is growing emphasis on DTB's commitment to ESG standards, with expectations for responsible corporate citizenship and sustainable long-term performance.	Institutional investors receive ongoing financial updates, performance reviews and forward-looking projections through one-on-one calls, investor presentations and quarterly reports. All shareholders are engaged during our Annual General Meeting, which provides a forum for direct dialogue, feedback and participation in key decisions.	
Our value-creating response		
• Our strategy is centred on sustainable growth, prudent risk management and delivering attractive returns to shareholders. • Robust governance structures and oversight ensure accountability, ethical conduct and alignment with shareholder interests.		
Material Matters Impacted	Associated Principal Risks	Capitals Impacted
• Macroeconomic / Market Risk • Competitiveness & Future Opportunities • ESG	• Strategic risk • Market risk • Operational risk	• Financial • Social and relationships

CREATING VALUE FOR OUR STAKEHOLDERS CONT...

Regulators and Government		
 Quality of Relationship: Positive The quality of the relationship with our regulators and governments is assessed considering, among others, our participation in regulatory consultations and policy development; taxes paid; adherences to regulatory requirements and remedial action where required, including fines and penalties paid: Total tax contribution: Shs. 9.02 Bn.		
Regulators & Government key concerns and expectations	How do we engage with the Regulators & Government?	
Regulatory Compliance: Full adherence to all legal and regulatory requirements, including timely and accurate reporting, is expected. Responsible Tax Practices: DTB is expected to be a responsible taxpayer in every jurisdiction which it operates in. Active Industry Participation: Regulators value DTB's engagement in industry forums and working groups to shape policy and best practice. Ethical Conduct and Integrity: Maintaining high ethical standards and robust internal controls.	Regular meetings and direct interactions to submit statutory reports, participate in both on-site and off-site inspections and seek guidance on evolving industry matters. We host the DTB Economic and Sustainability Forum at least twice a year, providing a platform for dialogue with relevant government stakeholders. Performance updates and compliance are communicated through mandated progress reports, the annual integrated report and other specific disclosures as required.	
Our value-creating response		
- We maintain the highest standards of integrity in financial reporting and ensure all regulatory submissions are accurate and timely. - Our first line of defence is equipped with advanced tools to continuously monitor changes in laws and regulations, customer due diligence and regulatory reporting.		
Material Matters Impacted	Associated Principal Risks	Capitals Impacted
Macroeconomic / Market Risk	- Compliance and regulatory risk - Credit risk - Liquidity risk - Operational risk - Reputational risk	- Financial - Intellectual

CREATING VALUE FOR OUR STAKEHOLDERS CONT...

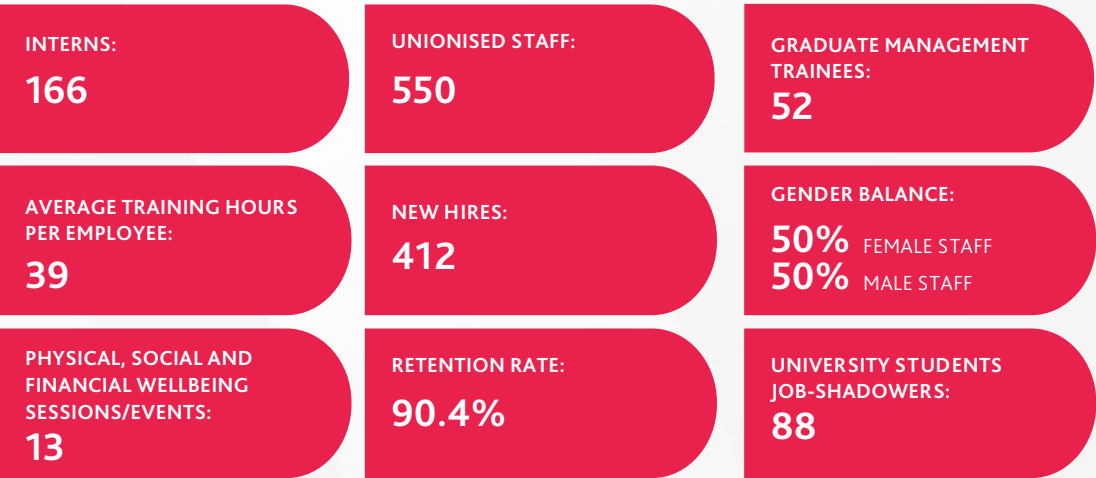
Suppliers and Business Partners		
 Quality of Relationship: Positive The quality of relationship with our suppliers and business partners is assessed by the following metrics: • Supplier and Partner Diversity- • Relationship Tenure. • Procurement Spend – Shs.121,746,815 procurement budget spend on women, youth and PWD. • Supplier Satisfaction Surveys. • Compliance and Ethical Standards - 100% sign up to our enhanced supplier code with our new suppliers.		
Suppliers & business partners key concerns and expectations	How do we engage with our suppliers & business partners?	
Cost Management and Value: Suppliers face economic pressures and expect fair pricing, timely payments and a focus on mutual value creation. Fair Treatment: There is an expectation of non-discriminatory practices, equitable contract terms and respectful engagement, regardless of the supplier's size or position. Transparency: Suppliers and partners seek open, honest communication, especially regarding decision-making processes	DTB organises an annual supplier forum for its top suppliers to discuss expectations, performance and sustainability goals. The forum includes training sessions on ESG compliance, ethical sourcing and climate-related practices. The Bank provides clear procurement guidelines, timelines and performance expectations. Annual ESG training sessions for suppliers on sustainability best practices.	
Our value-creating response		
• DTB is actively embedding sustainability into procurement through supplier engagement, ESG training, global sustainability commitments and responsible sourcing initiatives. • Introduced collaborative cost optimisation initiatives and transparent pricing models. • The Bank requires suppliers to comply with DTB's Code of Conduct and sustainability standards.		
Material Matters Impacted	Associated Principal Risks	Capitals Impacted
• ESG • Macroeconomic & Market Risk	• Operational risk • Reputational risk • Strategic risk	• Financial • Manufactured • Social and relationships

CREATING VALUE FOR OUR STAKEHOLDERS CONT...

Community		
 Quality of Relationship: Positive DTB continues to main strong ties with the communities that we operate in. The quality of our relationships is informed by, among others, our contributions to driving socio-economic growth society and a healthy environment: • Community Impact: 26 Citizenship initiatives completed across the Group focussed on financial literacy, tree planting and #AchieveMoreGirls, that address social issues • Our Citizenship Impact: Increase of investments in initiatives that support the socioeconomic development of the local communities to Shs.91.7 Mn in 2025 from Shs 78.7 M in 2024. • Employee Volunteering Hours.		
Our communities' key concerns and expectations	How do we engage with our communities?	
Access to Financial Services: Communities in which we operate in expect the Bank to provide accessible, affordable financial products, particularly for underserved and marginalised groups. Financial Literacy: There is a need for education and outreach to help individuals understand and benefit from banking services. Socio-Economic Empowerment: Communities look to DTB for employment opportunities, support for local enterprises and initiatives that drive economic growth and social empowerment.	DTB actively contributes to the communities in which it operates through targeted engagement and citizenship initiatives, on a needs basis such as financial literacy programmes. Participation local events and active communication on DTB's social media platforms.	
Our value-creating response		
• Developing and delivering financial products and services that promote socio-economic relevance, particularly for underserved and marginalised groups. • DTB is a signatory to key global sustainability frameworks, including the Principles for Responsible Banking, UN Global Compact Principles and UN Women's Empowerment Principles, reinforcing our commitment to ethical and sustainable business practices. • Supporting local community programmes in financial literacy, education, healthcare and environmental stewardship to foster socio-economic empowerment and resilience.		
Material Matters Impacted	Associated Principal Risks	Capitals Impacted
• ESG	• Reputational risk • Operational risk • ESG and climate-related risk	• Social and relationships • Financial

DTB TALENT STRATEGY

2025 MILESTONES AND HIGHLIGHTS



OUR TALENT STRATEGY

Our human capital and culture form the foundation for all other capitals required to build the bank of the future. In an age where technology and innovation are rapidly growing, empowering our people to leverage technology while maintaining a human touch is critical to building and maintaining a competitive edge. This understanding of the relationship between technology and talent forms the basis of our talent strategy at DTB.

Our talent strategy is also built on succession planning, in which each DTB branch and department head must have at least one successor who is prepared with the skills of the role. This is very beneficial in ensuring business continuity.

HOW WE MANAGE OUR WORKFORCE

Our entire workforce has one goal in mind: for DTB to be an employer of choice in East Africa. For us to reach this goal, we have set several initiatives in place to support the growth and development of our employees.

- Performance & Career Development:** DTB wide performance and career reviews are conducted for all employees each cycle ensuring a two-way feedback and development planning. DTB provides employees with leadership development programs and clear career progression pathways to support employees in their career journey.
- Learning & Capacity Building:** DTB runs a structured learning calendar with recurring skills training. By December 2025, every employee was provided with an average of 39 learning hours, demonstrating a scaled commitment to capacity building.
- Taking HR to the People:** The Group's HR department visits branches and offices with the aim of connecting and addressing employees concerns. The 'taking HR to the people' initiative is about fostering connectivity as HR sits right at the midsection of employees and management and have the sole responsibility of ensuring the growth of business and employees are in tandem:
 - HR Open Forum:** During the year Human Resources Department in Kenya held an open forum dubbed "ASK HR" aimed at giving all Bank staff an opportunity to ask pertinent questions and raise concerns workplace. The session allowed staff to seek clarity on HR policies, benefits, career opportunities and workplace expectations, creating a culture of open communication and trust. ASK HR aims at fostering transparency, improving employee engagement and addressing workplace concerns effectively.
- Wellbeing & Safety:** We provide our employees with a comprehensive employee wellbeing program combining
 - Staff Wellness Month in July, Healthy Fridays, on site medical checkups, fitness competitions and a wellness run.
 - Focused financial wellness sessions (education on the Provident Fund, Treasury bills & bonds, insurance, retirement planning and building multiple income streams).
 - Work related safety attention: HR tracks incident trends (e.g. commuting accidents) and reinforces medical and accident covers plus safety awareness.
- Rewards & Benefits:** Transparent communication of benefits and equal access across employee groups, including paid parental leave with tracked return to work and retention outcomes. DTB carries out periodic salary reviews and benchmarking exercises to maintain competitiveness
- Diversity, Equity & Inclusion (DEI):** Bank wide gender diversity with continued tracking and disclosure (50% female employees Group-wide).

Our leadership and culture	Our employee wellbeing	Developing our employees
People-centred leadership is essential to fostering the customer-centric culture that defines DTB. The dynamic relationship between leadership and company culture each continually shaping and influencing the other enables us to attract, retain and develop the talent required to realise our business growth ambitions.	The wellbeing of our employees is a prerequisite for our customers receiving the service experience that will ensure their loyalty. So when we measure customers satisfaction, we are keenly aware that it is also a measure of employee wellbeing.	The financial services industry is changing at an accelerating pace and so are the skills needed to adjust to this constant change. To ensure they can thrive professionally and personally in this environment, we offer meaningful career growth and development to our employees through engagement and a broad spectrum of learning opportunities.
The Bank respects and supports employees' rights to freedom of association on collective bargaining. Employees are free to join recognised workers representatives in accordance with national labour and the organisation engages in open and constructive dialogue with employee representative where applicable.		The Bank provides transition assistance and career management support to employees, including retirement preparation, guidance during employment termination and initiatives aimed at maintaining employability and supporting smooth career transitions in accordance with internal policies and applicable laws.



DTB Kenya's Compliance Knowledge Hub hosted an insightful training focused on mastering Financial Crime Assessment aimed at strengthening regulatory understanding and fostering best practice.



DTB Kenya celebrated the 2025 cohort of the Graduate Management Trainee programme.



DTB Tanzania were awarded a trophy for emerging champions during the Tanzania Bankers Association Football tournament 2025.



DTB Kenya hosted a special Mother's Day breakfast to celebrate and honour the incredible mothers and mother figures within the bank.

GUIDING SOCIO-ECONOMIC VALUE CREATION

- 80 DTB Board of Directors
- 92 Executive management
- 96 Policies and processes
- 98 Relationship with shareholders





DTB BOARD OF DIRECTORS

The Board of Directors consists of nine (9) non- executive directors (including the Chairman) and three (3) executive directors (the Group Chief Executive Officer, Chief Executive Officer and Managing Director and Finance and Strategy Director).



Linus Gitahi
63 years
Chair
8 years, 9 months

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LINUS GITAHI, MBS (CHAIRMAN- INDEPENDENT AND NON- EXECUTIVE DIRECTOR)

Linus was appointed to the Board in April 2017. He holds a Bachelor of Commerce (Honours) in Accounting from the University of Nairobi, a Diploma in Management from the Kenya Institute of Management and an MBA from the United States International University. He is also a Fellow of the Kenya Institute of Management. Linus is currently the Chairman of Tropikal Brands (Africa) Limited, Oxygene Communication Limited and Sanlam Allianz General Insurance Limited. In addition, he is a director of DTB Tanzania, Simba Corp, Outspan Hospital and Medical College, Jubilee Allianz Insurance (K) Limited and Kenya Association of Manufacturers. He previously served as the Chief Executive Officer of the Nation Media Group and prior to that was the Group Chief Executive Officer for GlaxoSmithKline in West Africa after having held diverse management positions with them.

SHAFFIQ DHARAMSHI (VICE-CHAIRMAN- NON- EXECUTIVE DIRECTOR)

Shaffiq was appointed to the Board in April 2015. He is a professional banker with over twenty years senior management experience in the Middle East and Africa. He is the Head of Banking for the Aga Khan Fund for Economic Development (AKFED) and responsible for providing oversight on operations of financial institutions in the AKFED portfolio across Asia and Africa. He also serves as a Director of DTB Uganda, HBL Pakistan, Kyrgyz Investment and Credit Bank, Kyrgyzstan, Investment and Credit Bank, Tajikistan and DCB Bank, India. In addition, prior to taking this position with AKFED, he was Senior Vice President, Wholesale Credit Risk Management at Mashreq Bank in Dubai, UAE. Before joining Mashreq Bank, he spent 17 years with Citibank in a wide range of positions across different areas of the bank in Africa and the Middle East. Shaffiq holds a MSc. from the London School of Economics. He is a member of the Institute of Directors (Kenya).



Shaffiq Dharamshi
61 years
Vice Chair
10 years, 9 months

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NASIM DEVJI (GROUP CHIEF EXECUTIVE OFFICER)

Nasim joined the Group in 1996 following which she was appointed Group Chief Executive Officer of Diamond Trust Bank in East Africa in 2001 until 2024 after which she continues as its Group Chief Executive Officer. She is a Fellow of The Institute of Chartered Accountants of England and Wales, an Associate of the Institute of Taxation (United Kingdom) and a Fellow of the Kenya Institute of Bankers. Nasim is also a director of DTB Uganda, PDM Uganda, Network Insurance Agency Limited and Diamond Jubilee Investment Trust Uganda Limited. She is also a member of the National Steering Committee on Drought Response and a member of the Institute of Directors (Kenya). She has previously served as a director of the Nairobi Securities Exchange Limited and as a member of the Kenya Deposit Insurance Corporation.



Nasim Devji
71 years
Group CEO
24 years, 7 months

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MURALI NATARAJAN (CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR)

Murali was appointed as the Chief Executive Officer and Managing Director of Diamond Trust Bank Kenya Limited in November 2024. He holds a Bachelor of Commerce (Honours) Degree from the University of Delhi, India. He is a Fellow Member of the Institute of Chartered Accountants of India. Prior to his current appointment at DTB Kenya, Murali was for a period of 15 years, until April 2024, the Managing Director and Chief Executive Officer of DCB Bank Limited, India, a listed banking company regulated by the Reserve Bank of India. He has also previously held the position of Global Head of SME Banking, Standard Chartered Bank, Head of Consumer Banking, India & Nepal, Standard Chartered Bank, Head of Mortgages & Auto and Head of Banking Strategy, Standard Chartered Bank, India and prior to that held various positions within Citibank and American Express. Murali is knowledgeable, has global exposure and vast experience in banking and financial services and in particular in dealing with Retail, MSME / SME clients and the related products and services.



Murali Natarajan
63 years
Managing Director and
Chief Executive Officer
1 year, 2 months

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GUEDI AINACHE (INDEPENDENT AND NON- EXECUTIVE DIRECTOR)

Guedi was appointed to the Board in April 2017. He holds a Masters Degree in Economic Science and Management from the University of Le Mans, France and a Post Graduate Degree in Audit and Risk Management from the University of Angers, France. He is currently the Corporate Finance Director for MMD Group in Dakar, Senegal. He has also previously served as the Head of the Syndication for The Eastern and Southern African Trade and Development Bank (PTA Bank) in Nairobi and as the Regional Director for PROPARGO in East Africa in addition to having held diverse positions with PROPARGO and Credit Agricole Corporate and Investment Banking, both in Paris. He is also a member of the Institute of Directors (Kenya).



Guedi Ainache
49 years
Director
8 years, 9 months

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PAMELLA AGER (NON- EXECUTIVE DIRECTOR)

Pamella was appointed to the Board in May 2013. She is the Managing Partner in Oraro & Company Advocates and holds a First Class Honours LLM Degree from Auckland University and a Bachelor of Laws Degree from the University of Waikato - Hamilton, New Zealand. She also holds a diploma from the Kenya School of Law. Besides being an Advocate of the High Court of Kenya, Pamella is a member of the Law Society of Kenya, Federation of Women Lawyers, East African Law Society and Commonwealth Lawyers Association. She is also a member of the Institute of Directors (Kenya) and sits on various boards for education and non-profit organisations.



Pamella Ager
55 years
Director
12 years, 8months

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KEY SKILLS

- 1

Strategy
- 2

Governance Leadership
- 3

Credit/Treasury/
Risk Management
- 4

Accounting, Audit & Tax
Advisory
- 5

Legal
- 6

Financial Services
- 7

Business & Management
Consultancy

COMMITTEE MEMBERSHIPS

- A

Board Audit & Compliance
Committee (BACC)
- B

Board Credit Committee (BCC)
- C

Board Innovation &
Technology Committee (BITC)
- D

Board Nomination & Human
Resource Committee (BNHRC)
- E

Board Risk Management
Committee (BRMC)
- F

Board Strategy Committee
(BSC)



Uday Bhasin
52 years
Director
1 year, 6 months

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UDAY BHASIN
(INDEPENDENT AND NON- EXECUTIVE DIRECTOR)

Uday was appointed to the Board in July 2024. He is a Fellow of the Institute of Chartered Accountants in England and Wales (“ICAEW”), holds The Corporate Finance Qualification from the ICAEW and a Bachelors of Arts in Economics and Social Studies from the University of Manchester. He currently serves as the Managing Director of Tradeways Co LLC, a leading emerging markets financial and family advisory business. Uday has previously served as the Chief Finance and Investment Officer at Sharjah Holding and as Executive Director at Dubai Group, two UAE based Sovereign Wealth Funds with significant investments across Asia, Middle East and Africa. Prior to these roles, he spent 11 years at PricewaterhouseCoopers working in Africa, Europe, Asia and the Middle East. Uday currently serves on the Boards of Diamond Trust Bank Tanzania Limited, Sarova Hotels Kenya Limited, Metro Life Assurance Tanzania Limited and Meticulous Insurance Tanzania Limited.

MOEZ JAMAL
(NON- EXECUTIVE DIRECTOR)

Moez was appointed to the Board in December 2009. He has vast experience in banking and is currently a Director of HBL Pakistan. He has previously worked in various senior positions with Credit Suisse and his last assignment with them was as the Global Treasurer, Credit Suisse. He also previously worked in senior positions with Lloyds Bank International London/ New York. Moez holds an MBA in Finance from Stern Business School, New York University and a BA (Hons.) from Manchester University in England. He is a member of the Institute of Directors (Kenya).



Moez Jamal
70 years
Director
16 years, 1 month

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ALKARIM JIWA
(FINANCE & STRATEGY DIRECTOR)

Alkarim joined DTB in 1998 and became the Chief Finance Officer in 2001. He joined the Board in September 2018 as the Finance Director. Prior to joining the Bank, Alkarim worked for several years with an accountancy and audit firm in Nairobi, Kenya. He is a Fellow of the United Kingdom- based Association of Chartered Certified Accountants, a member of the Institute of Certified Public Accountants of Kenya and holds a certificate in management audits from the London School of Economics. He is also a member of the Institute of Directors (Kenya). Alkarim is a director of TPS Eastern Africa PLC, Diamond Trust Bancassurance Intermediary Limited, Network Insurance Agency Limited and Diamond Jubilee Investment Trust Uganda Limited.



Alkarim Jiwa
56 years
Finance and Strategy
Director
7 years, 4 months

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IRFAN KESHAVJEE
(NON- EXECUTIVE DIRECTOR)

Irfan was appointed to the Board in May 2013. He has an MBA from the University of Oxford, UK and a Bachelors’ Degree in Civil-Environmental Engineering from Queen’s University, Canada. He enrolled in a Digital Transformation course at the Massachusetts Institute of Technology and also holds a certificate in Housing Finance from the Wharton Real Estate Centre, University of Pennsylvania. Irfan has had over 25 years of commercial experience in East Africa as a Director of the White Rose Group of Companies. He is also the Founder of Karibu Homes, an organisation dedicated to providing affordable housing to hardworking Kenyans, with over 1,000 homes currently under development in peri-urban Kenya. He was awarded the prestigious Ashoka Fellowship and the Acumen Fund East Africa Fellowship for having co-founded award-winning enterprises that impact on the livelihoods of low-income Kenyans. Irfan is also a member of the Institute of Directors (Kenya).



Irfan Keshavjee
54 years
Director
12 years, 8 months

NED

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Sagheer Mufti
67 years
Director
5 years

INED

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SAGHEER MUFTI
(INDEPENDENT AND NON- EXECUTIVE DIRECTOR)

Sagheer was appointed to the Board in January 2020. He is an industry leader with 45+ years of global experience at acclaimed Institutions such as CitiGroup, ADIB & HBL in driving business performance, strengthening governance and risk management and driving board and executive effectiveness across various verticals like banking, insurance, digital and operational resilience. Sagheer brings significant expertise in enterprise management, operational excellence, compliance and controls, digital, IT, cyber security and talent management. In addition to his directorship at DTB he is also on the Boards of HBL Bank UK Limited, HABL UK (Chairman), Jubilee Life Insurance Company Limited, Pakistan, Jubilee Holdings Kenya Limited and Investment and Credit Bank of Tajikistan. Sagheer has extensive experience in Governance at Board level. He has been instrumental in setting up and overseeing key Board Committees such as Digital, IT, Compliance and Strategy for various Boards and also approved by the UK Regulator as an SMF7. He holds a Certificate of Director Education from the Pakistan Institute of Corporate Governance, as well as multiple other certifications for board directorship training. He is also a member of the Institute of Directors (Kenya).

JEREMY NGUNZE
(INDEPENDENT AND NON- EXECUTIVE DIRECTOR)

Jeremy was appointed to the Board in June 2021. He is a career banker with broad experience in financial services spanning over 30 years, across Africa and Asia and holds an MBA from University of Manchester and a Bachelor of Commerce Degree from the University of Nairobi . He is currently the Chairman of Integrated Payment Solutions Limited, Chairman of PACT Global, and serves as a board member at Old Mutual Investment Group, Old Mutual Uganda Insurance Limited and Karen Country Club. Jeremy previously served as Group Executive Director for Regional Business at NCBA Group and prior to that was the Chief Executive Officer at Commercial Bank of Africa, Kenya. He is also a member of the Kenya Institute of Bankers.



Jeremy Ngunze
59 years
Director
4 years, 6 months

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KEY
SKILLS

- 1

Strategy
- 2

Governance Leadership
- 3

Credit/Treasury/
Risk Management
- 4

Accounting, Audit & Tax
Advisory
- 5

Legal
- 6

Financial Services
- 7

Business & Management
Consultancy

COMMITTEE MEMBERSHIPS

- A

Board Audit & Compliance
Committee (BACC)
- B

Board Credit Committee (BCC)
- C

Board Innovation &
Technology Committee (BITC)
- D

Board Nomination & Human
Resource Committee (BNHRC)
- E

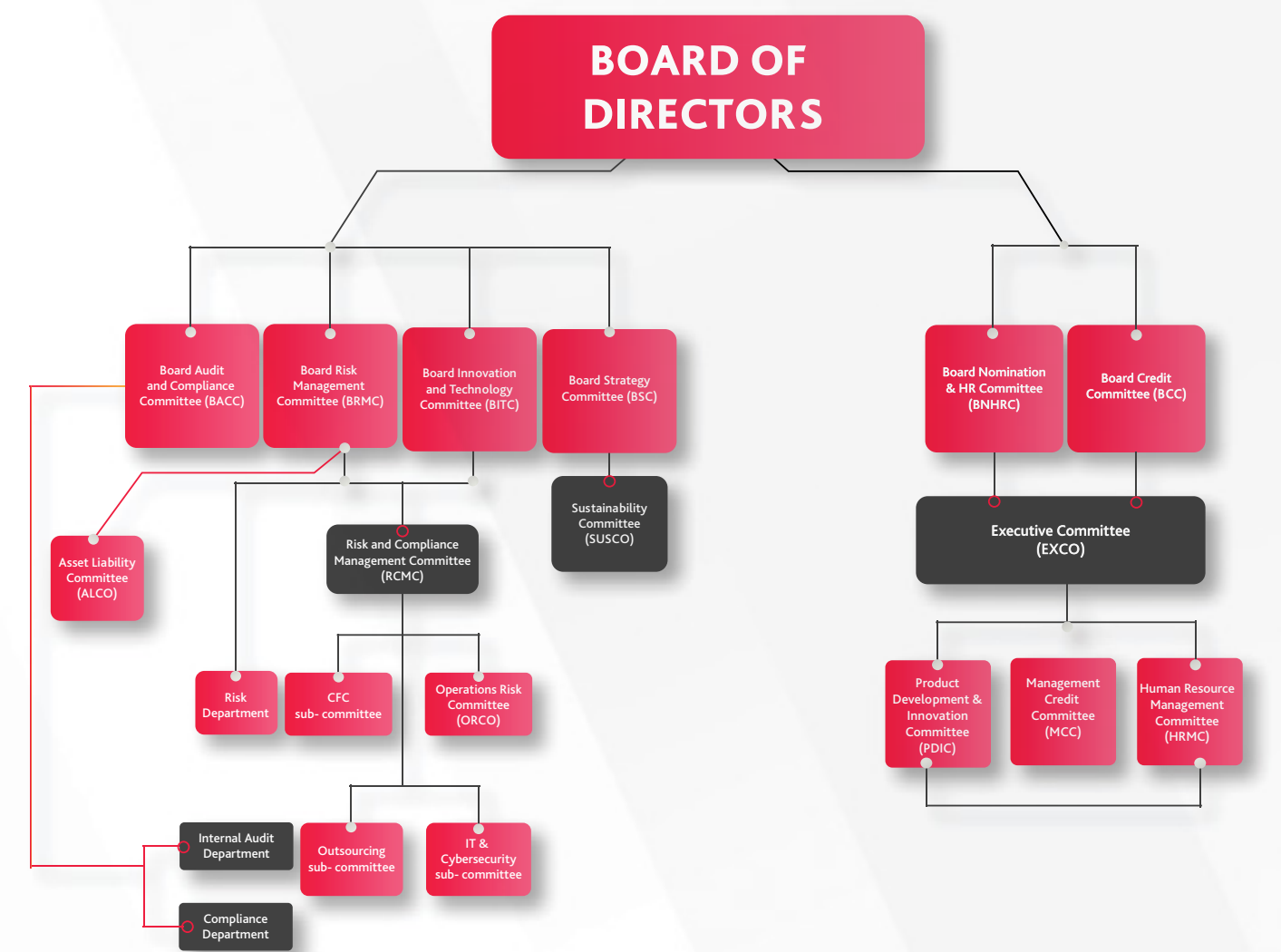
Board Risk Management
Committee (BRMC)
- F

Board Strategy Committee
(BSC)

ROLES AND RESPONSIBILITIES OF THE BOARD

DTB Kenya's Board of Directors steers the Group toward long-term success by directing management in setting the Group's strategy and overseeing its execution, while ensuring that risks and rewards are well-balanced. The Board also oversees social and environmental matters, including climate-related risks and opportunities. In undertaking its duties, the Board is guided by a corporate governance framework that comprises the Corporate Governance policy, Board Charter and Code of Ethics and Conduct. These documents outline the functions of the Board, detailing how its powers and responsibilities are exercised. They also describe the

THE GOVERNANCE FRAMEWORK IS ILLUSTRATED BELOW:



BOARD RESPONSIBILITIES AND FUNCTIONING

The Board of Directors comprises twelve highly qualified, competent and diverse individuals, each elected to provide strategic direction and robust oversight. The Board is ultimately accountable to all shareholders and is responsible for ensuring that the Group's purpose, vision, mission and values are embedded in all decision-making processes. In fulfilling its fiduciary duties, the Board oversees financial and operational matters, as well as sustainability-related risks and opportunities, including those linked to climate change.

roles of the Chairman and the Managing Director & Group Chief Executive Officer, while emphasising adherence to the principles of good corporate governance, international best practices and relevant legislation. Our corporate governance practices comply with the requirements of the Banking Act, the Central Bank of Kenya's (CBK) prudential guidelines, the Capital Markets Authority (CMA) code and the CMA Regulations. The Board discharges its mandate and duties through these policies and frameworks and with the support of six Board committees.

The Board establishes and maintains effective internal controls to address financial, operational, compliance and sustainability requirements. While the Managing Director & Chief Executive Officer and the management team oversee day-to-day operations, the Board ensures that sustainability considerations are integrated into the Bank's strategic objectives and risk management processes. Directors are expected to challenge and support management in identifying, assessing and managing material sustainability-related risks and opportunities, leveraging their collective expertise.

BOARD NOMINATION AND TRAINING

The Board Nomination and Human Resources Committee (BNHRC) nominates potential directors for consideration and appointment by the Board, subject to a letter of no objection from CBK. Newly appointed directors are required to retire at the annual general meeting (AGM) that immediately follows their appointment and being eligible, offer themselves for re-election by shareholders to ensure shareholder participation in all appointments. All new directors participate in a formal induction programme to familiarise themselves with the Group's operations, management and operating environment, as well as their fiduciary duties and responsibilities. Continuous professional development is ensured through access to tailored training programmes and the Chairman's reviews of the professional development needs

BOARD MEETINGS

The Board has a work plan that sets out its activities for the year and meets at least once every quarter. The Chairman, Group Chief Executive Officer and Managing Director, Finance and Strategy Director and the Company Secretary jointly set the agenda for the meetings. Board members receive all the necessary documents

of each Board member, as part of the annual performance evaluation process. The Board Appointment and Diversity policy limits the tenure of an independent non-executive director to six years. However, the person may continue in office as a non-independent member. Non-executive directors are required to retire at the AGM that immediately follows their 70th birthday. Shareholders may vote to retain the member in office. At every AGM, at least one-third of the non-executive directors retire from the Board. Directors appointed to fill casual vacancies or serve as additional non-executive directors must be elected by shareholders at the AGM immediately following their appointment.

in advance of the meetings and may request additional information in the interest of informed decision-making. Directors are also entitled to independent professional advice, at the Bank's expense, to better perform their duties.

ANNUAL PERFORMANCE EVALUATION

As per regulatory requirements, the Board evaluates its own performance as well as that of the Chairman, committees, individual directors, executive directors and the Company Secretary every year.

Facilitated by the Institute of Directors (Kenya), the 2025 evaluation considered:

- Group strategic objectives
- Risk governance
- Board constitution and skills
- Executive management and succession
- Board interaction and support

The evaluation concluded that the Board had the right mix of skills and experience and was well positioned to achieve the Bank's objectives and address any emerging challenges. The results of the evaluation are submitted to CBK in the first quarter of the year in line with regulatory requirements.

BOARD REMUNERATION

According to the Board remuneration policy, each Non-Executive Director receives a fixed monthly fee as a member of the Board and a sitting allowance for every meeting attended. They are not covered by the Group's incentive programmes and do not receive any performance-based remuneration. The fees and sitting allowances are determined by the Board and approved by shareholders at the

AGM on a pre- or post-facto basis. Details of the fees for the Non-Executive Directors and remuneration of the Executive Directors, paid in 2025, are set out in the Directors' Remuneration Report on page 119-121.

SEPARATION OF FUNCTIONS

As part of DTB's commitment to good corporate governance, the functions of the Chairman and the Managing Director and Group Chief Executive Officer are vested in different individuals. Their roles and responsibilities are distinct with the

Chairman being primarily responsible for overseeing policy direction, while the Managing Director and Group Chief Executive Officer lead the operational day-to-day business of the Group.

BOARD INDEPENDENCE

The Group's corporate governance policy, which is aligned with the CBK Prudential Guidelines and the CMA Code, states that at least one-third of Board members should be independent and at least two-thirds non-executive directors. The Bank complies with these requirements.

The Board reviews its independent members every year against CBK Prudential Guidelines and the CMA Code, which define an independent director as a person who:

- Is not part of management.
- Has not served on the Board for more than nine years (if appointed prior to

- 15 December 2023) or more than six years (if appointed after 15 December 2023).
- Does not have any relationships that could materially affect their ability to objectively assess matters presented before the Board or generally act in the best interests of the Group and its stakeholders.

At the end of 2025, none of the directors held shares that were more than one percent (1%) of the Group's total equity in their individual capacity. The details of the directors' shareholding, in DTB are disclosed in the Directors' Report on page 116-118.

THE COMPANY SECRETARY

This position is filled by someone who is a member, in good standing, of the Institute of Certified Public Secretaries of Kenya. Accessible to all directors,

the Company Secretary facilitates communication between the Group and its shareholders.

OVERSIGHT OF SUSTAINABILITY-RELATED AND CLIMATE-RELATED RISKS AND OPPORTUNITIES

DTB operates within a comprehensive framework of corporate governance that includes a Corporate Governance Policy, Board Charter and Code of Ethics and Conduct. These documents clearly outline the roles, powers and responsibilities of the Board, the Chairman and the Managing Director & Chief Executive Officer. They also specifically address the oversight of sustainability-related risks and opportunities, adhering to international best practices, global standards and local regulatory requirements. The Board provides ultimate oversight of DTB's Environmental, Social and Governance (ESG) and climate strategies. It sets the tone for sustainable practices across the organisation, approves policies and ensures that sustainability objectives including the Group's Net Zero target for its own operations by 2030, are integrated into long-term business strategy. The Board also monitors progress against sustainability targets and mandates transparent disclosure of ESG-related information to stakeholders, aligned with the requirements of the Financial Institutions Act and Central Bank of Kenya's prudential guidelines.

INTEGRATION INTO BOARD AGENDA

- Sustainability and climate performance are standing items in quarterly Board meetings.
- Progress is reviewed against the approved Sustainability & Citizenship Master Plan
- Climate-related risks and opportunities reviewed by the Board Risk Committee.



BOARD COMMITTEES

BOARD AUDIT AND COMPLIANCE COMMITTEE (BACC)

Committee members: Uday Bhasin (Chairperson) Guedi Ainache Sagheer Mufti Irfan Keshavjee	Meetings held: 4
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Role of the committee

Raises the standards of corporate governance by reviewing:

- The external reporting of financial information, including the correct application of accounting standards.
- The internal control environment of the Group, including the governance of financial and accounting risks.
- The internal and external audit functions, including an assessment of their independence, adequacy and effectiveness.
- The compliance management framework.

BOARD CREDIT COMMITTEE (BCC)

Committee members Jeremy Ngunze (Chairperson) Pamella Ager Shaffiq Dharamshi Irfan Keshavjee Uday Bhasin	Meetings held: 4
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Role of the committee

- Oversees the Group's credit function and credit risk management framework.
- Ensures the overall credit framework is robust and enables business growth in compliance with internal policy and statutory regulations.

BOARD INNOVATION AND TECHNOLOGY COMMITTEE (BITC)

Committee members Sagheer Mufti (Chairperson) Guedi Ainache Irfan Keshavjee Jeremy Ngunze Uday Bhasin	Meetings held: 4
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Role of the committee

- Ensures the quality, integrity, effectiveness and reliability of the Group's IT risk management framework.
- Monitors implementation of the Group's innovation-related initiatives.

BOARD NOMINATION AND HUMAN RESOURCE
COMMITTEE (BNHRC)

Committee members

Guedi Ainache (Chairperson)
Pamella Ager
Shaffiq Dharamshi
Irfan Keshavjee
Jeremy Ngunze

Meetings held:

4

Role of the committee

- Proposes nominees for director positions.
- Assesses Board performance and effectiveness.
- Ensures the Board composition reflects an appropriate mix of skills and expertise.
- Oversees all human resource matters on behalf of the Board.
- Recommends remuneration and incentives for executive directors and senior management.



BOARD RISK MANAGEMENT COMMITTEE (BRMC)

Committee members

Guedi Ainache (Chairperson)
Moez Jamal
Shaffiq Dharamshi
Sagheer Mufti
Jeremy Ngunze

Meetings held:

4

Role of the committee

- Ensures the quality, integrity, effectiveness and reliability of the Group's risk management framework.
- Sets out the nature, role, responsibility, scope and authority of the Group's risk management function.
- Ensures that adequate risk policies and strategies are in place.
- Ensures that ESG and climate-related risks are integrated into the Group's risk management process and managed proactively.



BOARD STRATEGY COMMITTEE (BSC)

Committee members

Sagheer Mufti (Chairperson)
Nasim Devji
Shaffiq Dharamshi
Irfan Keshavjee
Jeremy Ngunze
Uday Bhasin
Mrs. Pamella Ager
Mr. Moez Jamal
Mr. Guedi Ainache

Meetings held:

4

Role of the committee

- Oversees and monitors the implementation of the Group's sustainability strategy and climate-related initiatives.
- Oversees and monitors the implementation of new strategic initiatives.
- Reviews alliances required for the successful implementation of strategy initiatives.



MEETINGS ATTENDANCE RECORD

Director	AGM	BACC	BCC	BITC	BNHRC	BRMC	BSC	Board
Linus Gitahi	1/1	-	-	-	-	-	-	4/4
Shaffiq Dharamshi	1/1	-	4/4	-	4/4	2/4	4/4	4/4
Nasim Devji (Mrs)	1/1	-	-	-	-	-	4/4	4/4
Alkarim Jiwa	1/1	-	-	-	-	-	-	4/4
Pamella Ager (Mrs)	1/1	1/1	4/4	-	4/4	-	4/4	4/4
Jeremy Ngunze	1/1	1/1	4/4	4/4	4/4	4/4	4/4	4/4
Guedi Ainache	1/1	4/4		4/4	4/4	4/4	4/4	3/4
Sagheer Mufti	1/1	4/4	-	4/4	-	4/4	4/4	4/4
Moez Jamal	1/1	1/1	-		-	4/4	4/4	4/4
Irfan Keshavjee	1/1	4/4	4/4	4/4	4/4	-	4/4	4/4
Uday Bhasin	1/1	4/4	4/4	4/4	-	-	4/4	4/4
Murali Natarajan	1/1	-	-	-	-	-	-	4/4

EXECUTIVE
MANAGEMENT

Nasim Devji
Group Chief Executive Officer
29 years of service



Murali Natarajan
Managing Director &
Chief Executive Officer, Kenya
1 year of service



Alkarim Jiwa
Director, Finance &
Strategy
28 years of service



Stephen Kodumbe
Director, Legal and
Company Secretary
18 years of service



Kennedy Nyakomitta
Director, Commercial
26 years of service



Lillian Ngala
Director, Human Resources
14 years of service



Raphael Onyango
Director, Corporate and
Institutional Banking
3 years of service



Hilda Gituro
Director, Compliance,
Combatting Financial Crime
and Internal Controls
23 years of service

EXECUTIVE MANAGEMENT



George Otiende
Director, Retail Banking
19 years of service



Suraj Shah
Director, Business Banking
23 years of service



Azra Thobani
Head of Customer
Experience
16 years of service



Dancan Okun
Director, Risk
5 years of service



Peter Kimani
Director, Internal Audit
25 years of service



Constance Macharia
Director, Credit
5 years of service



Farouk Khimji
Chief of Staff
22 years of service



Agnes Kinga
Head of Marketing
1 year of service



James Mwangi
Chief Information and
Digital Officer
3 years of service

EXECUTIVE COMMITTEES

The Bank has six Executive Management level committees that support the Managing Director and Chief Executive Officer to actively champion sustainability, resource allocation and strategic alignment.

The Sustainability Management Committee (SUSCO), in particular, is responsible for implementing and advancing DTB's ESG and Climate Risk strategies. It oversees the Bank's most material ESG risks and opportunities, drives the execution of the Sustainability & Citizenship Master Plan and ensures compliance with disclosure requirements. The SUSCO monitors progress and reports quarterly to the Board, ensuring transparency in performance evaluation. In 2025, the committee focused on operationalising the Sustainability and Citizenship Master Plan.

MANAGEMENT COMMITTEE		
	Executive Committee	Members
1	Reporting: Board	- Murali Natarajan, Chief Executive Officer and Managing Director (Chair) - Alkarim Jiwa, Finance and Strategy Director (Deputy Chair) - Stephen Kodumbe, Director, Legal and Company Secretary (Secretary) - Raphael Onyango, Director, Corporate Banking and Institutional Banking - George Otiende, Director, Retail Banking - Dr. Kennedy Nyakomitta, Director, Commercial - Suraj Shah, Director, Business Banking - Vacant, Director, Treasury - Constance Macharia, Director, Credit - Lillian Ngala, Director, Human Resources - Dancan Okun, Director, Risk - Hilda Gituro, Director, Compliance Combatting Financial Crime and Internal Controls - Azra Thobani, Head of Customer Experience - James Mwangi, Chief Information and Digital Officer - Agnes Kinga, Head of Marketing
	Roles and Responsibility:	
	Strategy planning, implementation, monitoring and reporting; and capital allocation proposals on material ventures, strategic projects and any other new business lines.	
	Meets monthly.	
	Sustainability Committee (SUSCO)	Members
2	Reporting: BSC	- Murali Natarajan, Managing Director & CEO (Chairperson) - Alkarim Jiwa, Finance and Strategy Director (Deputy Chairperson) - Dancan Okun, Director, Risk - Constance Macharia, Director, Credit - Hilda Gituro, Director, Compliance, Combatting Financial Crime and Internal Controls - Lillian Ngala, Director, Human Resources - Joshua Tinda, Head of Procurement and Logistics - William Amayo, Head of Branches - Azmaira Thobani, Head of Sustainability and Communications
	Roles and Responsibility:	
	Implement the Sustainability & Citizenship Master Plan and provides updates on each pillar.	
	Meets once every two months.	
	Asset Liability Committee (ALCO)	Members
3	Reporting: BRMC	- Murali Natarajan, Chief Executive Officer and Managing Director (Chair) - Alkarim Jiwa, Finance and Strategy Director (Deputy Chair) - Vacant - Director, Treasury - George Otiende, Director, Retail Banking - Raphael Onyango, Director, Corporate Banking and Institutional Banking - Suraj Shah, Director, Business Banking - Dr. Kennedy Nyakomitta, Director, Commercial - Hilda Gituro, Director, Compliance, Combatting Financial Crime and Internal Controls - Constance Macharia, Director, Credit - Mustaq Dar, Head of Business Development Coast Region
	Roles and Responsibility:	
	Oversees the Group's balance sheet development and capital adequacy.	
	Meets monthly.	

	Management Credit Committee (MCC)	Members
4	Reporting: BCC	- Murali Natarajan, Managing Director & CEO (Chairperson) - Alkarim Jiwa, Finance and Strategy Director (Deputy Chairperson) - Constance Macharia, Director, Credit - Vacant, Director, Treasury - Raphael Onyango, Director, Corporate & Institutional Banking - George Otiende, Director, Retail Banking - Dr. Kennedy Nyakomitta, Director, Commercial - Suraj Shah, Director, Business Banking
	Roles and Responsibility:	
	Monitors the implementation of the Credit Risk Management framework and reviews and approves credit applications, credit strategy, policies, procedures, monitoring and reporting.	
	Meets monthly.	
	Risk And Compliance Management Committee (RCMC)	Members
5	Reporting: BRMC	- Murali Natarajan, Managing Director & CEO (Chairperson) - Alkarim Jiwa, Finance and Strategy Director (Deputy Chairperson) - Stephen Kodumbe, Director, Legal and Company Secretary (Secretary) - Dancan Okun, Director, Risk - Hilda Gituro, Director, Compliance, Combatting Financial Crime and Internal Controls - Vacant, Director, Treasury - Lillian Ngala, Director, Human Resources - George Otiende, Director, Retail Banking
	Roles and Responsibility:	
	Implements the risk management framework and oversees the effectiveness of policies, procedures, systems, controls and assurance arrangements.	
	Meets every six weeks.	
	Human Resource Management Committee (HRMC)	Members
6	Reporting: BNHRC	- Murali Natarajan, Managing Director & CEO (Chairperson) - Lillian Ngala, Director, Human Resources - Stephen Kodumbe, Director, Legal and Company Secretary (Secretary) - Alkarim Jiwa, Finance and Strategy Director - Hilda Gituro, Director, Compliance, Combatting Financial Crime and Internal Controls - George Otiende, Director, Retail Banking
	Roles and Responsibility:	
	Reviews and recommends policies regarding staff incentives, remuneration, compensation and benefits, promotions, recruitment, training and development, succession planning and staff appraisals.	
	Meets monthly.	

MANAGEMENT OF SUSTAINABILITY RISKS AND OPPORTUNITIES

Senior management receives regular updates on climate risk and ESG performance from the Sustainability Unit and Sustainability Champions, enabling informed decision-making. Each business unit is responsible for Sustainability and climate related activities. These are coordinated by Finance department for reporting and disclosure purpose.

SUSTAINABILITY & COMMUNICATIONS DEPARTMENT

This dedicated department coordinates and operationalises, in conjunction with other departments, the Bank's sustainability and citizenship commitments and programmes. The unit is responsible for the coordination of climate-related initiatives, managing data collection for greenhouse gas (GHG) emissions and supporting integration of climate risk into enterprise risk management. The unit also facilitates internal awareness and capacity building on ESG principles. The department also plays a broader role in driving the Bank's sustainability agenda. This includes coordinating the implementation of commitments across all sustainability pillars, fostering strategic partnerships and ensuring robust monitoring and evaluation (M&E) of programmes. All these efforts, including undertaking impact assessments, drive towards ensuring that DTB's sustainability initiatives deliver measurable value to communities, stakeholders and the business.

ENVIRONMENTAL AND SOCIAL RISK MANAGER

This dedicated staff oversee the due diligence process for all Category A&B projects and reports to the Head of Risk.

SUSTAINABILITY CHAMPIONS

Drawn from both branches and departments across the Group, our more than 200 champions are tasked with mainstreaming sustainability practices into day-to-day operations, ensuring that ESG considerations are integrated into the various functions including lending decisions, procurement, risk management and customer engagement.

POLICIES AND PROCESSES

INTERNAL CONTROL SYSTEMS

DTB's internal control systems comprise of policies and procedures that prescribe and govern its structures and systems. It is an organisational structure that ensures segregation of duties and various committees that support management and ensure compliance with policies and procedures.

Data Governance Council

Reporting: RCMC
Provides strategic guidance of the data governance programme, prioritisation for data governance project and initiatives and reviews and recommends data related policies, procedures and standards.
Meets monthly.

Combating Financial Crime (CFC) Sub-committee

Reporting: RCMC
Oversees the implementation of the Combating of Financial Crime (CFC) policy and related procedures and process flows.
Meets monthly.

IT and Cybersecurity Sub-committee

Reporting: RCMC and BITC
Oversees the IT and Cybersecurity Risk Management framework, policies, procedures, processes and change management processes.
Meets monthly.

Operational Subcommittee (OPCO)

Reporting: RCMC
Oversees the Operational Management Framework and Policy and monitors the implementation of related procedures and process flows.
Meets monthly.

Outsourcing Subcommittee

Reporting:ExCo
Reviews the outsourcing business case and operational risks associated with outsourcing arrangements.
Meets at least once a quarter.

Product development and Innovation Committee (PDIC)

Reporting:ExCo
Supports the development and implementation of new products.
Meets on an adhoc basis.

ETHICAL CULTURE AND LEADERSHIP

DTB is committed to fostering an ethical culture and responsible leadership, recognising that strong and robust governance is essential for managing sustainability-related risks and opportunities. The Group has implemented several key policies and frameworks:

Conflict of Interest policy and related party transactions

The Board, leadership, management and employees must avoid any real or perceived conflict between their personal interests and those of the Group. Business transactions involving directors or parties related to them are disclosed on page 234-236.

Code of Ethics and Conduct

Guides the Board, management and employees on acceptable behaviour and ethical standards in all the Group's activities and engagements.

Whistle-blower policy

Defines whistle-blowers and highlights the protections and remedies available to them. It covers dispute resolution mechanisms, a voluntary disclosure programme, reporting channels and procedures, timely disclosure of findings and resolutions and data retention.

Data privacy and protection of personal information

DTB processes personal data responsibly, ethically and in compliance with Kenya's Data Protection Act, 2019 and the General Data Protection Regulation (GDPR). A data protection policy framework exists for internal use.

Anti-bribery and anti-corruption policy

Complies with legislation in all our markets and draws on recommendations contained in the Kenyan Bribery Act, 2016, the anti-bribery guidelines of the Organisation for Economic Cooperation and Development (OECD) and the UN Convention against Corruption (2003).

Procurement policy

Subscribes to the principles of transparency, integrity and fairness to protect the Group and its suppliers. As part of our CFC procedures, all suppliers are screened for adverse media mentions and against regulatory and law enforcement sanction watchlists on human trafficking, drug trafficking, arms dealings and organised crime, among others.

IT and cybersecurity policy framework

Ensures the confidentiality, integrity and availability of the Group's information assets.

Share trading policy

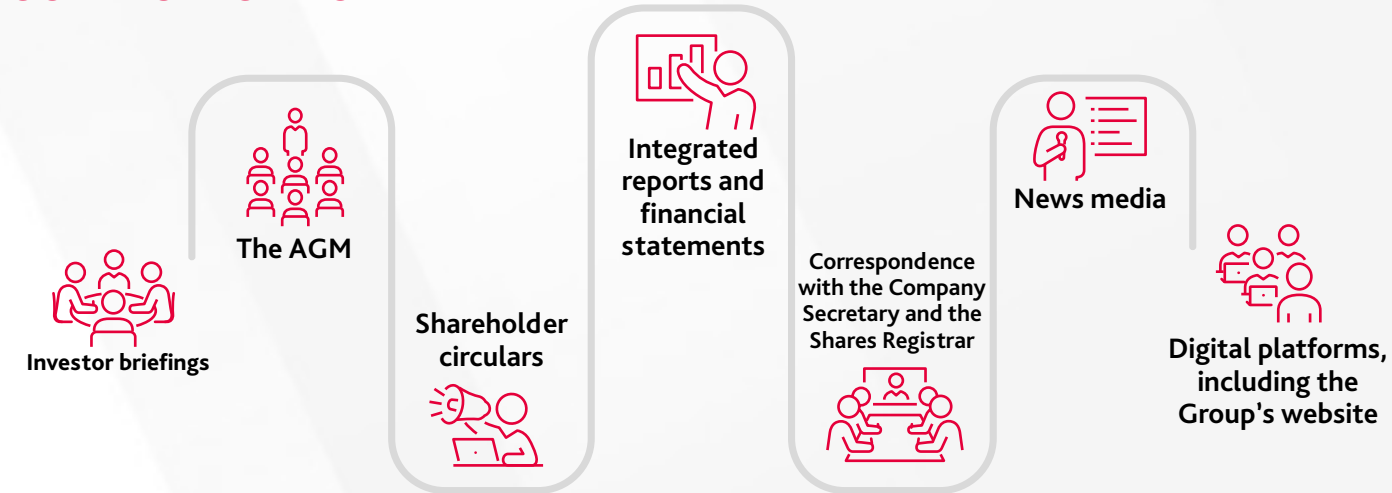
Prohibits directors, management and employees from dealing in the Group's shares when they have or may be perceived as having unpublished price-sensitive information. No known or identified instances of insider trading occurred in 2025.



RELATIONSHIP WITH SHAREHOLDERS

Our shareholders are one of our most important stakeholder groups and we invest particular care in our relationships with them.

COMMUNICATION



SHARES REGISTRY

Shareholder applications, registration queries, transfers, immobilisation and dividend pay-outs.

SHAREHOLDING STRUCTURE

The distribution of DTB's issued share capital as at 31 December 2025:

Range	No. of Members	Total No. of Shares	Percent
1 - 500	3,800	726,830	0.26
501 - 1,000	730	555,260	0.1986
1,001 - 5,000	3,509	7,946,874	2.8422
5,001 - 10,000	1,519	9,922,364	3.5487
10,001 - 50,000	1,659	31,015,271	11.0926
50,001 - 100,000	187	13,015,935	4.6552
100,001 - 500,000	131	26,981,261	9.6499
500,001 - 1,000,000	14	8,489,963	3.0364
1,000,001 - 999,999,999,999	26	180,948,462	64.7164
Total	11,575	279,602,220	100

SHAREHOLDERS PROFILE

No. of Members	Group	Total Quantity	Percentage
2,192	FOREIGN INDIVIDUALS	27,303,960	9.765
15	FOREIGN INSTITUTIONS	116,512,095	41.671
6,168	LOCAL INDIVIDUALS	42,097,626	15.056
637	LOCAL INSTITUTIONS	81,254,894	29.061
2,549	E.A INDIVIDUALS	11,897,543	4.255
14	E.A INSTITUTIONS	536,102	0.192
11,575		279,602,220	100

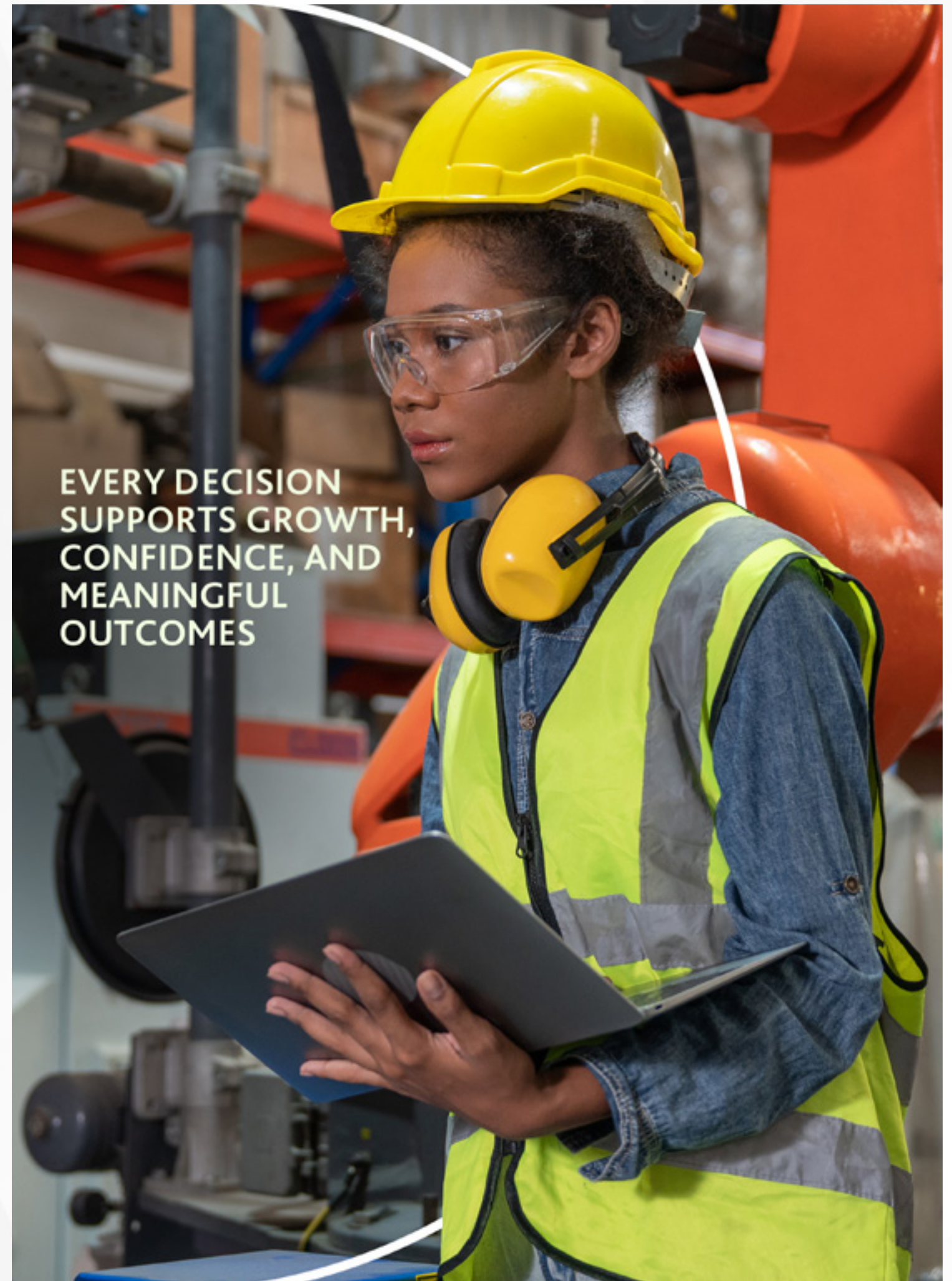
Top 10 shareholders of the Bank as at 31 December 2025

DIAMOND TRUST BANK KENYA LIMITED			
TOP TEN SHAREHOLDERS AS AT 31 DECEMBER 2024			
	NAME	NO OF SHARES	% HOLDING
1	AGA KHAN FUND FOR ECONOMIC DEVELOPMENT S.A.	46,130,236	16.50
2	HABIB BANK LIMITED	45,159,849	16.15
3	JUBILEE LIFE INSURANCE LIMITED	14,667,802	5.25
4	JUBILEE HOLDINGS LIMITED	13,141,337	4.70
5	STANDARD CHARTERED NOMINEE AC-063144601015	8,799,839	3.15
6	ACACIA PARTNERS L.P.	7,369,920	2.64
7	STANDARD CHARTERED NOMINEE A/C KE004667	5,050,900	1.81
8	STANDARD CHARTERED NOMINEE RESD A/C KE11443	4,677,008	1.67
9	THE DIAMOND JUBILEE INVESTMENT TRUST (U) LIMITED	3,838,436	1.37
10	INVESTMENT & MORTGAGES NOMINEES LTD A/C 003745	3,500,000	1.25
11	INVESTMENT & MORTGAGES NOMINEES LTD A/C 003746	3,500,000	1.25



DTB RISK MANAGEMENT

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OVERVIEW

DTB has established a dedicated risk management structure that reports directly to both the Board of Directors and senior management. This structure ensures that risk management practices remain effective and that policies and procedures are consistent with the risk tolerance levels set by shareholders. DTB continually refines its enterprise risk management processes in alignment with the Group's strategic objectives, evolving regulatory requirements, industry

RISK GOVERNANCE

DTB's risk management is underpinned by robust governance frameworks at both Board and management levels across the Group. The Bank has comprehensive, documented policies and procedures that comply with relevant laws, regulations and internal control standards in all operating markets. These frameworks guide staff in their daily activities and serve as benchmarks for internal and external audit reviews. It is the responsibility of the senior management team to ensure the formulation and implementation of policies and procedures.

Internal Monitoring

The risk governance and oversight framework has created a robust risk culture that ensures all our employees contribute to the identification, measurement, mitigation and escalation of risks affecting the Bank. DTB adopts the three lines of defence model, which provides independent, aligned and coordinated assurance in the risk and control environment and domiciles risk ownership with every member of staff. Collaboration between the Business Units, Risk, Compliance and Internal Audit departments is entrenched in the annual work plans approved by the Board.

best practices and emerging trends. DTB invests in advanced technologies, including artificial intelligence and sophisticated credit scoring tools, while adhering to prudent underwriting standards. This approach enables the Group to focus on high-quality borrowers, ensure robust collateral management and maintain safe, efficient operational systems.

THREE LINES OF DEFENCE:

First Line (Business Units):

Responsible for identifying and risks in client transactions, ensuring adherence to the risk management processes and policies. Business units identify and manage risks in transactions, by applying the risk management policies and procedures.

Second Line (Risk and Compliance):

Oversees and develops risk frameworks, monitors compliance and ensures integration of key risks identified are properly aggregated and integrated into the overarching ERM framework. Risk and Compliance teams monitor adherence to risk management frameworks and regulatory standards. Tracking exposures and risk status of the Bank.

Third Line:

Provides independent assurance on the effectiveness of governance, risk controls and the accuracy of ratings.



RISK CULTURE

DTB's risk governance and oversight frameworks have fostered a strong risk culture throughout the Bank. Employees at all levels are encouraged to actively participate in identifying, assessing, mitigating and escalating risks affecting the Group.

Both management and staff understand and embrace the Group's approach to risk, taking personal responsibility for managing risks in their respective roles. The Board, through its oversight, ensures that risk-related decisions are sound and that risk management behaviours align with Group expectations.

DTB's Risk culture emphasizes the importance of:

- Responsibility and accountability:** All employees are accountable for the risks they assume within their authority.
- A balanced risk and reward:** A disciplined approach to balancing risk and reward, in line with the Group's risk appetite.
- Consistent risk definitions:** A unified understanding of risk, addressing both value creation and preservation across the Group.
- A Standardised risk framework:** Consistent risk management standards applied throughout the organisation.
- Clear roles and responsibilities:** Well-defined authority and responsibilities, supported by an effective system of controls appropriate to the Group's size and complexity.
- Model challenge and data accuracy:** Rigorous assessment of risk models, including stress testing and credit scoring and scrutiny of data accuracy.
- Effective risk measurement tools:** Reliable tools to measure, justify and monitor risk-taking and adherence to established policies.

- Integrity and transparency:** Commitment to integrity, transparency and proactive risk disclosure, in line with the Group's values and code of conduct.
- Proportionate disciplinary action:** Appropriate disciplinary measures for policy violations.

To reinforce this culture, DTB has implemented several initiatives, including:

- Training and risk awareness for all employees:** Comprehensive training on risk management, GRC systems, stress testing and climate risk, along with regular engagement with subsidiary risk teams.
- GRC system implementation:** Centralised risk data management platforms with real-time dashboards across the Group, enhancing data visibility and decision-making.
- Cybersecurity enhancements:** Regular cybersecurity assessments and SOC monitoring to strengthen resilience against cyber threats.
- Policy and procedure reviews:** Ongoing review and updating of policies to ensure compliance with regulatory standards and best practices.
- Incident reporting and loss management:** Encouraged use of the GRC system for incident reporting, risk self-assessment and key risk indicator tracking.
- Risk assessments for new initiatives:** Thorough due diligence for new products and strategic decisions, supporting informed risk-taking and sustainable growth.

RISK APPETITE

The Board, specifically the Board Risk Management Committee (BRMC), is responsible for establishing clear risk appetite and tolerance levels, which are integral to the Group's enterprise risk management approach. DTB's risk appetite statement (RAS) is defined both quantitatively and qualitatively, reflecting the expectations of a broad range of stakeholders. The RAS is supported by specific metrics, such as capital adequacy, liquidity ratios and non-performing loan (NPL) ratios, enabling management to assess the alignment of outcomes with the Group's risk appetite. Performance against these metrics is

monitored and reported quarterly to the BRMC. The RAS and tolerance thresholds are reviewed and updated in response to significant changes in strategy, the operating environment, or regulatory requirements, with any amendments subject to Board approval. A robust reporting and escalation framework ensures that risk appetite is embedded in management decisions across the Group. For 2025, the Group maintained low-medium appetite for any risk category, as detailed in the accompanying table.

RISK APPETITE SCALE	RISK APPETITE SCALE
Low appetite	Liquidity, Human Capital, Fraud, bribery & Corruption, Outsourcing, Physical Security, Information Technology, Business Continuity, Financial Crime, Compliance & Regulatory, Legal and Climate risks
Medium-low appetite	Operational
Medium-moderate appetite	Strategic, Financial, Credit, Country & Transfer, Market, Environmental & Social (E&S) risks
Medium-high appetite	None
High appetite	None

RISK MANAGEMENT PROCESS

The Enterprise Risk Management Framework (ERMF) formalises and communicates DTB's overall approach to risk management. It standardises and ensures consistency in the risk management processes and outlines the core

governing principles for management. It provides a framework to identify, assess, measure, monitor, report and control risks in DTB in a consistent manner.

KEY RISKS

The banking sector continues to face a heightened risk environment, with credit risk remaining particularly elevated due to macroeconomic pressures. Other significant risks such as market, liquidity, strategic, operational, cyber and ICT, regulatory and ESG/climate-related risks, have been exacerbated by both internal and external developments.

In 2025, DTB's risk profile evolved in response to these dynamics, but the Group remained focused on maintaining stability while advancing its 2022–2031 business growth strategy. The Enterprise Risk Management Framework (ERMF) identifies nine principal risk categories that are continuously monitored, ensuring that appropriate mitigation measures are in place.

Principal risk	Key mitigations	Capitals impacted
Credit Risk For DTB, which operates in diverse markets with varying economic conditions, credit risk is heightened by factors such as macroeconomic volatility, sectoral downturns and borrower concentration. Effective credit risk management is essential to maintain asset quality and protect the Bank's capital base.	- Effective governance and oversight from RCMC and MCC executive committees, with support from the Risk, Compliance and Audit departments. - Rigorous credit assessment and continuous monitoring to ensure continued creditworthiness. - Defined credit and exposure limits for individual borrowers and sectoral lending. - Early identification of high-risk loans through timely intervention and recovery efforts. - Internal and regulatory thresholds for monitoring NPLs and corresponding strategies to address them. - Periodic credit risk stress testing to identify vulnerabilities and assess the ability of the bank to withstand shocks.	 Financial

Principal risk	Key mitigations	Capitals impacted
Operational Risk DTB encounters significant operational risks tied to process failures, cyber threats, technological error, supply chain disruptions and third-party dependencies. As the Group expands and digitises, the complexity and potential impact of operational risks increase, driven by the need for system resilience and the challenge of integrating new and legacy systems.	- Revised the operational risk management framework to be more consistent and rigorous across the Group. - Continuous professional and skills development for the Risk and Compliance departments. - Enhanced oversight of third-party service providers, including more stringent service level agreements and performance assessments. - Sensitisation of customers on secure mobile banking practices to prevent fraud. - Use of an automated fraud monitoring system for real-time detection of fraudulent activities. - Periodic BCM tests to ensure continuity of systems and to minimise disruptions.	 Natural  Human  Manufactured  Intellectual
Market risk Our assets and investments are exposed to various market risks arising from changes in exchange rates, interest rates and market liquidity. As DTB operates across multiple jurisdictions, it is exposed to fluctuations in local and international markets, which can affect the value of its trading and investment portfolios, as well as its earnings.	- Monitoring of political and economic developments to manage risks and ensure compliance. - Regular stress testing to assess foreign exchange risk. - Stringent policies and defined trading limits to guide investment and trading. - Diversification of investments to manage concentration risks. - Investment in financial instruments like swaps and forwards to mitigate market fluctuations and secure funding.	 Financial
Cyber/ IT risk IT/cyber risks refer to the threat of financial loss, disruption, or reputational damage resulting from failures or breaches of the Bank's information technology systems. As DTB increasingly relies on digital platforms and online services, the risk of cyber-attacks, data breaches and system outages grows, requiring continual investment in cybersecurity measures and IT resilience.	- Established the Security Operation Centre (SOC) with advanced tools for proactive monitoring of cyber threats. - Implemented an AI-powered fraud management solution. - Continuous awareness campaigns for staff and customer on phishing and social engineering attacks. - Business continuity initiatives to enhance cyber and system resilience. - Enhanced monitoring of third-party and outsourced services risk. - Enhanced access controls, device management and regular security assessments.	 Intellectual  Manufactured  Financial  Human
Strategic risk Regional expansion, digital transformation and evolving customer preferences present both opportunities and risks. Misalignment between strategy and execution could impact the Group's long-term growth and competitiveness.	- Assessments of potential risks to the Group's business, including governance, operations, competition, finances and reputational. - Regular performance checks against targets and monitoring key risks like capital adequacy and market position.	 Financial  Intellectual  Human  Social and relationship
Liquidity risk Liquidity remains tight in the market driven by fiscal and monetary policy and the economic slowdown. In the region, liquidity pressures continue to arise from market disruptions, unexpected withdrawals, or limited access to funding markets, making robust liquidity management essential for DTB's ongoing operations and financial stability.	- Regular liquidity stress testing to assess resilience and enhance the contingency funding plan. - Daily tracking of liquidity levels for early identification of potential issues. - Constant review and monitoring of liquidity risk tolerance limits.	 Social and relationship  Financial

Principal risk	Key mitigations	Capitals impacted
Compliance and regulatory risk With DTB operating in multiple regulatory environments, the complexity and volume of compliance requirements increase, making robust compliance frameworks and continuous monitoring essential.	- Formalised a compliance framework that is inclusive of comprehensive policies, automated compliance monitoring and regular reviews by the Compliance department. - Regular staff training and awareness campaigns to promote a culture of compliance and ethics.	 Social and relationship
Reputational risk For DTB, reputation can be affected by adverse media coverage, regulatory breaches, customer complaints, or operational incidents. Protecting and enhancing the Group's reputation is critical to maintaining stakeholder confidence and supporting business growth.	- The Group values its reputation and protects its brand through monitoring reputational risks and their drivers, as well as through continuous media monitoring. - Third parties working for or on behalf of the Group are called upon to uphold ethical business conduct in all their business dealings. - Timely and effective resolution of customer complaints. - Monitoring of customer feedback and sentiments across our communication channels and media. - Comprehensive crisis management and response plan to guide incident management.	 Social and relationship  Financial  Human
ESG/ Climate Risk Operating in a region increasingly affected by climate variability, regulatory pressures and stakeholder expectations regarding sustainability, ESG and climate risks are growing in significance. Failure to effectively manage ESG and climate risks can result in financial losses, regulatory sanctions, restricted access to capital and reputational damage. Conversely, robust ESG practices can enhance resilience, attract investment and support long-term value creation.	- Developed a framework to manage climate related risks, including governance, risk assessment, stress testing and reporting. - Incorporating ESG criteria into lending decisions. - ESG and sustainability training programmes for the Board, management and staff.	 Natural  Social and relationship

MANAGING E&S AND CLIMATE RELATED RISKS

Environmental and Social Screening: Our ESRM procedures involve the following components to screen for E&S and climate risks

- 1

Transaction screening – ensure the proposed transaction is not within DTB exclusion parameters and determine the level of due diligence required.
- 2

E&S Due Diligence (ESDD) – a systemic identification and assessment of the risk, as well as proposed mitigation actions to be agreed with the customer.
- 3

Credit process – incorporate the E&S risk assessment into the credit process for decision making and for contractually agreeing on the required mitigation actions with the customer.
- 4

Monitoring and evaluation – to assess the effective management of risk identified through ESRM and assess emerging risks which may also affect the customer.

Environmental and Social Management System (ESMS): This is a structured framework for screening, monitoring and managing E&S risks throughout the credit lifecycle. This is applied to all credit applications (except IPF, credit cards and other structured lending products) to identify potential environmental and social risks, which are then categorised according to their severity of risks.

Category A:
Significant adverse impacts
(irreversible or widespread).

Category B:
Moderate impacts, reversible
or mitigable.

Category C:
Minimal or no adverse impacts.

All loans valued at > USD1 million (excluding IPFs, mobile digital loans, scheme loans and credit cards) are first screened through an exclusion list to identify potential risks, followed by an ESDD process to ensure that each loan meets the Bank's sustainability and risk management standards.

IFC Performance Standards: applied for high-risk projects (Category A & B) to ensure compliance with international best practices

KENYA

Category of Project	Risk Categorisation Criteria	2024	2025
A	Projects likely to have significant adverse environmental or social impacts which are diverse, widespread, or irreversible	0.0%	0.0 %
B	Project with potentially adverse impacts that are less severe than Category A projects, i.e., fewer in number, smaller in scale, less widespread, reversible, or easily mitigated	43.2%	41.9 %
C	Projects with no adverse environmental or social impacts	56.8%	58.1 %

TANZANIA

Category of Project	Risk Categorisation Criteria	2024	2025
A	Projects likely to have significant adverse environmental or social impacts which are diverse, widespread, or irreversible	-	6.64%
B	Project with potentially adverse impacts that are less severe than Category A projects, i.e., fewer in number, smaller in scale, less widespread, reversible, or easily mitigated	40.3%	42.12 %
C	Projects with no adverse environmental or social impacts	57.8%	41.92%

MANAGING OUR CLIMATE-RELATED RISKS AND OPPORTUNITIES

DTB remains committed to playing a leading role in addressing climate change in ways that are sensitive to the local socio-economic context and climate vulnerability. The integration of climate-related risks into DTB's existing risk management frameworks reflects a structured approach to addressing both transition and physical risks, which are evolving in nature.

Defined in the Risk Appetite Statement & Climate-Related Risk Management Policy, DTB has a low appetite for climate risk and aims to align lending with Paris Agreement goals.

IDENTIFIED CLIMATE RISKS

Physical Risk	Description	Industries sensitive to Climate Risk
Chronic  Sea level rise  Heatwave  Drought Acute  Precipitation/ flooding  Extreme wind  Wildfires <td> - Physical risks originate from more frequent and severe weather events that can result in large financial losses due to damage to property and infrastructure, disruption to transportation and trade, and lower economic productivity. - Physical risk events could negatively impact company and asset valuation, as well as revenue (through drops in production and disruption to supply lines and transportation routes). - Losses from physical risks could be severe enough to ripple through the financial sector through an increase in defaults and impairment to collateral. </td> <td>  Agriculture  Forestry  Real Estate  Industry  Mining & metals  Insurance </td>	- Physical risks originate from more frequent and severe weather events that can result in large financial losses due to damage to property and infrastructure, disruption to transportation and trade, and lower economic productivity. - Physical risk events could negatively impact company and asset valuation, as well as revenue (through drops in production and disruption to supply lines and transportation routes). - Losses from physical risks could be severe enough to ripple through the financial sector through an increase in defaults and impairment to collateral.	 Agriculture  Forestry  Real Estate  Industry  Mining & metals  Insurance
Transition Risk	Transition risks are driven by:	
 Policy & Legal risks  Technology risk  Reputation risks  Market risk	- Advances in technology (emergence of low-carbon alternatives), - Government policies (promotion of firms that perform highly on ESG metrics), - Market shifts (increased consumer demand for green products), - Legal (litigation related to failure to mitigate or disclose climate risks), and - Reputation concerns (changes in customer expectations of a firm's environmental practices).	 Mining & metals  Oil & gas  Utilities  Automotive  Transportation  Industrial products

DTB'S PORTFOLIO EXPOSURE TO CLIMATE-RELATED RISKS

DTB is committed to partnering with customers to help safeguard the quality of the loan book while delivering innovative and sustainable products and services. Since 2023, the Group has conducted an annual climate risk exposure assessment to identify the loan portfolio at risk of potential future climate hazards and inform the prioritisation of climate action and investment in adaptation. As of December 2025, our exposure to transition and physical risks increased/ decreased as shown below:

KENYA

Risk Category	% of Total Portfolio (2024)	% of Total Portfolio (2025)
Physical Risks	6.0%	7.21%
Transition Risks	5.8%	7.37%

Metric	Risk Category	Risk Exposure 2024	Risk Exposure 2025
Oil and gas sector & coal related activities /coal dependent sectors	Transition Risk	Shs 17.6 Bn.	Shs 18.30 Bn.
Coal-related Activities			
Number and value of mortgage loans in flood zones, assets prone to flooding or agricultural activities susceptible to adverse weather	Physical Risk	Shs 18.1 Bn.	Shs 17.9 Bn.
Water projects in regions of high or extremely high baseline water stress			
Property, infrastructure or alternative asset portfolios in areas subject to flooding, heat stress or water stress			

TANZANIA

Risk Category	% of Total Portfolio (2024)	% of Total Portfolio (2025)
Physical Risks	8.5%	10.8%
Transition Risks	2.2%	3.1%

Metric	Risk Category	Risk Exposure 2024	Risk Exposure 2025
Oil and gas sector & coal related activities /coal dependent sectors	Transition Risk	Shs1.166 Bn.	Shs 1.619 Bn.
Coal-related Activities			
Number and value of mortgage loans in flood zones, assets prone to flooding or agricultural activities susceptible to adverse weather	Physical Risk	Shs 4.553 Bn.	Shs 5.971 Bn
Water projects in regions of high or extremely high baseline water stress			
Property, infrastructure or alternative asset portfolios in areas subject to flooding, heat stress or water stress			

LOOKING AHEAD

The global economic landscape in 2026 is expected to remain challenging, characterised by persistent policy uncertainty, heightened geoeconomic tensions and a trend towards protectionism. The IMF projects global GDP growth at 3.3% for 2026, with inflation easing to 3.8%. However, the recovery is uneven and the risk of further fragmentation in global trade

and supply chains remains high. Central banks are likely to maintain a cautious, data-driven approach to monetary policy, balancing inflation control with the need to support financial stability amid ongoing volatility.

KEY RISKS OUTLOOK:

- **Political Risk:** The approach of the 2027 general elections in Kenya introduces heightened political uncertainty, historically associated with economic slowdown, delayed investment and increased market volatility.
- **Cost Pressures:** High costs of doing business and subdued consumer demand could constrain credit growth and profitability.
- **External Shocks:** Potential inflationary spillovers from global trade tensions and commodity price volatility remain a concern.

EMERGENCY AND OPERATIONAL RISKS:

- **Cyber Risk:** The threat landscape is evolving rapidly, with increased incidents of ransomware, nation-state attacks and AI-driven cybercrime. The bank must remain vigilant, maintaining robust, layered cybersecurity controls and a zero-trust approach.
- **Third-Party and Vendor Risk:** Greater reliance on third parties for technology and operations increases exposure to cyber, data privacy and operational risks. Regular risk assessments and stringent vendor management are critical.
- **Data Privacy and Governance:** Regulatory scrutiny is intensifying, with enforcement actions against non-compliance. Continued investment in data protection policies and technologies is essential.
- **Artificial Intelligence:** The proliferation of AI introduces risks such as misinformation, manipulation, deepfakes and privacy breaches. The bank must develop and enforce comprehensive AI governance frameworks and deploy advanced AI-powered defence systems.

DTB'S STRATEGIC OUTLOOK

In conclusion, 2026 will be marked by a complex interplay of global and domestic risks, with policy uncertainty, technological disruption and political developments at the forefront. Successfully navigating the risk landscape in 2026 will require DTB Group to continue to adopt a proactive and adaptive approach. This includes strengthening scenario planning by regularly updating risk assessments to address both global and domestic developments, particularly those arising from political cycles and rapid technological change. Enhancing cyber resilience through continued investment in advanced technologies and comprehensive staff training will be essential to counter increasingly sophisticated threats. Deepening regulatory compliance by continuing to uphold rigorous data privacy and governance standards will ensure

alignment with evolving legal requirements. Furthermore, fostering innovation and agility will enable the Group to harness technological advancements while effectively managing associated risks and maintaining operational resilience. Finally, sustained engagement with regulators, customers and partners will be vital in anticipating and responding to emerging risks, thereby safeguarding the Group's long-term stability and growth. DTB Bank Group's continued focus on robust risk management, operational resilience and strategic agility will be critical to sustaining growth and safeguarding stakeholder interests in this dynamic environment.

MORE THAN A HOME

A place to belong.
A future to grow
mortgages from

9%

FINANCIAL
PERFORMANCE HIGHLIGHTS

	2025	2024	2023	2022	2021
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Net interest income	34,882,781	28,098,109	27,574,589	22,887,097	19,992,573
Non-fund-based income	10,534,362	11,698,994	11,435,245	8,622,283	6,194,779
Gross operating income	45,417,143	39,797,103	39,009,834	31,509,380	26,187,352
Net operating profit before provisions	22,615,180	18,471,977	18,604,316	16,236,170	14,138,702
Charge for impairment of loans	(8,681,072)	(7,401,567)	(9,600,856)	(6,711,237)	(7,513,045)
Profit before income tax	13,934,108	11,070,410	9,003,460	9,524,933	6,625,657
Profit after tax and non-controlling interest	9,407,239	7,642,442	6,879,176	6,061,017	3,908,411
Total assets	659,118,478	573,886,914	635,040,842	526,983,269	456,842,717
Advances to customers (net)	324,172,604	285,296,663	308,454,062	253,674,906	220,425,335
Total deposits (customers and banks)	509,139,215	447,216,813	499,116,641	414,241,417	346,246,247
Shareholders' funds	101,104,067	81,778,872	74,888,755	68,962,487	67,294,138
Dividends for the year	2,516,420	1,957,216	1,677,613	1,398,011	838,807
Performance ratios					
Earnings per share - basic	33.65	27.33	24.60	21.68	13.98
Earnings per share - diluted	33.65	27.33	24.60	21.68	13.98
Dividend per share - basic	9.00	7.00	6.00	5.00	3.00
Dividend per share - Diluted	9.00	7.00	6.00	5.00	3.00
Net loans to deposits	63.7%	63.8%	61.8%	61.2%	63.7%
Non-performing loans to total loans (before provisions)	10.8%	12.3%	13.0%	11.4%	12.3%
Return on average assets	1.7%	1.5%	1.3%	1.4%	1.0%
Return on average shareholders' funds	10.3%	9.8%	9.6%	8.9%	6.0%
Non-fund-based income to total income	23.2%	29.4%	29.3%	27.4%	23.7%
Number of branches	157	158	152	134	129
Number of employees	2,957	2,886	2,777	2,534	2,156
Expenditure on property and equipment	1,581,091	2,463,183	3,006,431	679,537	234,099
Other indicators (Bank only)					
Core capital to customer deposits (Bank only)	16.4%	16.6%	17.3%	21.1%	22.1%
Core capital to total risk weighted assets (Bank only)	15.5%	15.7%	16.3%	19.8%	19.9%
Total capital to total risk weighted assets (Bank only)	16.9%	17.3%	17.0%	20.7%	21.2%



INCLUSIVE FINANCE IS THE
FOUNDATION FOR PROGRESS
IN COMMUNITIES AND LIVES

FINANCIAL STATEMENTS

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BOARD OF DIRECTORS

Linus Gitahi	Chairman
Shaffiq Dharamshi	Vice Chairman
Nasim Devji	Group Chief Executive Officer
Murali Natarajan*	Managing Director and Chief Executive Officer, Kenya
Pamella Ager	Non Executive Director
Guedi Ainache**	Non Executive Director
Uday Bhasin	Non Executive Director
Moez Jamal***	Non Executive Director
Alkarim Jiwa	Finance & Strategy Director
Irfan Keshavjee	Non Executive Director
Sagheer Mufti****	Non Executive Director
Jeremy Ngunze	Non Executive Director

*Indian **French ***Swiss ****Pakistani

COMPANY SECRETARY

Stephen Kodumbe

REGISTERED OFFICE

DTB Centre
Mombasa Road
P.O. Box 61711 - 00200
NAIROBI

AUDITOR

KPMG Kenya
Certified Public Accountants
8th Floor, ABC Towers
Waiyaki Way
PO Box 40612-00100
NAIROBI

DIRECTORS' REPORT

The Directors submit their report together with the audited consolidated and separate financial statements for the year ended 31 December 2025 in accordance with Section 22 of the Banking Act and the Kenyan Companies Act, 2015 which discloses the state of affairs of consolidated Diamond Trust Bank Kenya Limited (the “Group” or “DTB”) and of Diamond Trust Bank Kenya Limited (the “Bank” or “Company”).

INCORPORATION AND REGISTERED OFFICE

The Bank is incorporated in Kenya under the Kenyan Companies Act, 2015 and is domiciled in Kenya. The address of its registered office is as disclosed on page 115.

PRINCIPAL ACTIVITIES

The Group is engaged in the business of providing banking and other related services to the general public.

RESULTS AND DIVIDEND

The results of the Group and Bank for the year are set out on page 127 and summarised below.

	Group			Bank
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
Profit before income tax	13,934,108	11,070,410	8,556,763	6,556,307
Income tax expense	(2,694,299)	(2,301,621)	(1,292,217)	(1,245,820)
Profit before income tax for continuing operations	11,239,809	8,768,789	7,264,546	5,310,487
(Loss)/profit from discontinued operations net of tax	(532,610)	50,620	592,500	-
Profit for the year	10,707,199	8,819,409	7,857,046	5,310,487
Non controlling interests	(1,299,960)	(1,176,967)	-	-
Profit attributable to owners of the Bank	9,407,239	7,642,442	7,857,046	5,310,487
Proposed dividends	(2,516,420)	(1,957,216)	(2,516,420)	(1,957,216)
Retained profit for the year	6,890,819	5,685,226	5,340,626	3,353,271

The directors recomend the approval of a final dividend of Shs 2,516,419,980 (2024:Shs 1,957,215,540).

EQUITY AND RESERVES

The authorised issued share capital and reserves of the Group and Bank at 31 December 2025 and matters relating there to are set out in Note 33 to 34 to the financial statements. No additional shares were issued in the year. Full details of the Group and Bank reserves and movements therein during the year are shown on pages 130 to 133 and pages 226 to 227.

PROPERTY AND EQUIPMENT

Details of the movements in property and equipment are shown on Note 22 to the financial statements.

DIRECTORS

The directors that served in the year are listed on page 115.

In accordance with Article No. 101 of the Bank's Articles of Association, Messrs Linus Gitahi and Sagheer Mufti retire by rotation and, being eligible, offer themselves for re-election.

In accordance with Article No. 101 of the Bank's Articles of Association, Messrs Guide Ainache and Moez Jamal retire by rotation and do not offer themselves for re-election.

DIRECTORS' REPORT (CONTINUED)

BUSINESS REVIEW

East Africa remains SSA's growth leader with favourable weather, strong agricultural exports, improved investments and easing inflation reviving domestic demand in all Kenya, Uganda and Tanzania. While monetary policy is easing across East Africa, Kenya's limited fiscal space has constrained private sector credit growth, which at 5% year on year, still lags Uganda (10%) and Tanzania (16%); the latter two markets have attracted substantial investment in extractive industries in recent years.

Meanwhile, the financial sector across East Africa remains sound - profitable, well-capitalised, and increasingly liquid, thanks to supportive Central Bank actions. Asset quality and balance sheet growth are expected to improve, particularly in Uganda and Tanzania, where expansionary policies are fueling stronger domestic activity.

The Growth in Group's total assets (2025-Shs 659 billion, 2024-Shs 574 billion) is attributed to growth in deposits from an expanding customer base. The Group's significant investment in new tech-driven platforms, partnerships and product revamp across the Group is anticipated to anchor growth trajectory in future even as the non digital bank continues to expand.

At Shs 10.7 billion, the 2025 Group profit after tax recorded a significant 21% improvement over the previous year. DTB shall continually leverage its expanding branch network and customer base to grow and diversify its revenue base.

DTB Strategy
DTB's Business Growth Strategy has gained remarkable momentum, firmly positioning the Bank as a resilient, growth-driven, and customer-centric top-tier institution. By prioritising exceptional customer service, advancing digitally enabled financial solutions, deepening regional integration, and championing sustainability, DTB continues to strengthen its relevance and competitiveness in the dynamic market landscape.
a. The Group's customer base expanded significantly in 2025, rising to 4.5 million from 3.1 million in 2024. This growth reflects the success of an accelerated acquisition strategy, supported by an expanded branch network, strengthened digital channels, innovative partnerships, and a revitalised sales force. The key elements underpinning the customer reach pillar of DTB's business strategy are; - Attract new and retain existing customers across corporate & institutional, business and retail banking segments. - Pursue ecosystem banking across existing and emerging focus sectors and segments. - Achieve geographical and demographical relevance.
b. DTB is executing a bold digital transformation to cement its position as a leading digital bank. The strategy builds cutting-edge digital, data, analytics, and cybersecurity capabilities, reinforced by high-impact partnerships, to accelerate growth, sharpen competitiveness, and deliver superior shareholder value.
c. DTB is advancing its position as a leader in Sustainability and ESG across East Africa. Following approval in 2023, the Sustainability and Citizenship Master Plan is now being operationalised, anchored on six pillars: climate action and net zero, sustainable financing, responsible supply chain, employee well-being, strategic partnerships, and citizenship. Through collaboration with global sustainability and development finance experts, DTB is driving innovative, high-impact programmes that deliver measurable value to stakeholders and reinforce its aspiration to be one of the leading practioners in sustainability excellence.

PRINCIPAL RISKS AND UNCERTAINTIES

The Bank's activities expose it to a variety of financial risks including credit, liquidity, and market risks. The Bank's overall risk management policies are set out by the Board and implemented by management. These policies involve analysis, evaluation, acceptance and management of some degree of risk or a combination of risks. These risk management objectives and policies are outlined in detail in Note 4, from pages 153 to 192.

As the Bank continues to scale up its operations, it ensures that the resultant commercial and operational risks are mitigated through the enforcement of appropriate policies and procedures governing various aspects of its commercial activities and operations.

DIRECTORS' REPORT (CONTINUED)

SUSTAINABILITY AND CITIZENSHIP

As a responsible corporate citizen, Diamond Trust Bank Kenya Limited (DTB) seeks to undertake initiatives which benefit the communities and environment it operates in. The sustainability report under pages 50 to 58 details the activities the Group has undertaken in the year.

RELEVANT AUDIT INFORMATION

The Directors in office at the date of this report confirm that:

- There is no relevant audit information of which the Bank's auditor is unaware; and
- Each Director has taken all the steps they ought to have taken as a Director so as to be aware of any relevant audit information and to establish that the Bank's auditor is aware of that information.

SUBSTANTIAL SHAREHOLDING

The Directors are aware of the following interests which amount to 5% or more of the issued share capital of the Bank:

	2025	2024
	Shareholding %	
Aga Khan Fund For Economic Development S.A.	16.50%	16.50%
Habib Bank Limited	16.15%	16.15%
The Jubilee Life Insurance Limited	5.25%	6.55%
	37.90%	39.20%

DIRECTORS' INTERESTS

Directors' interest in the shares of the Bank were as follows;

	2025		2024	
Director	No of shares	Shareholding %	No of shares	Shareholding %
Nasim Devji	263,022	0.09%	263,022	0.09%
Murali Natarajan	325,160	0.12%	-	-
Alkarim Jiwa	2,200,000	0.79%	474,000	0.17%
Irfan Keshavjee	1,143	0.00%	1,143	0.00%

TERMS OF APPOINTMENT OF THE AUDITOR

Messrs KPMG Kenya, shall retire as Auditor of the Bank at the conclusion of the Annual General Meeting. Consequently the directors recommend that Messrs PricewaterhouseCoopers be appointed as the auditor of the bank for the financial year ending 31 December 2026.

APPROVAL OF THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 23 March 2026.



By order of the Board
Stephen Kodumbe
Company Secretary

23 March 2026
Nairobi

DIRECTORS' REMUNERATION REPORT

This Directors' remuneration report sets out the remuneration arrangements for Diamond Trust Bank Kenya Limited Directors for the year ended 31 December 2025.

Information not subject to Audit

Information not subject to audit comprise the following with respect to directors:

- Policy on Directors' remuneration
- Contract of service
- Statement of voting at general meeting on Directors' remuneration
- Any substantial changes to Directors' remuneration during the year.

Details of Directors

The remuneration report details the remuneration arrangements for Directors who served during the year. The executive and non-executive Directors listed below are collectively referred to as directors.

Name	Position
Linus Gitahi	Chairman, Non-executive Director
Shaffiq Dharamshi	Vice Chairman , Non-executive Director
Nasim Devji	Group Chief Executive Officer
Murali Natarajan	Managing Director and Chief Executive Officer, Kenya
Pamella Ager	Non-executive Director
Guedi Ainache	Non-executive Director
Uday Bhasin	Non-executive Director
Moez Jamal	Non-executive Director
Alkarim Jiwa	Finance & Strategy Director
Irfan Keshavjee	Non-executive Director
Sagheer Mufti	Non-executive Director
Jeremy Ngunze	Non-executive Director

Remuneration Policy for the Non-Executive Chairman and Non-Executive Directors

The remuneration of the Non-executive Chairman and Non-executive directors is approved by the shareholders at the Annual General Meeting. These Board members receive annual fees and allowances for attending meetings. Non-executive Directors are not entitled to any performance related pay or pension.

The Non-executive Chairman and Non-executive directors do not have service contracts. The initial appointments and any subsequent reappointments by rotation are subject to annual election and re-election by shareholders.

Fees are paid in cash, net of applicable income tax. The amount of fees reflects the attached responsibility and time commitment. Additional fees are paid for further responsibilities such as chairing committees and sitting on appointed board committees.

Executive Directors Remuneration Policy

The remuneration of Executive Directors including, but not limited to, the related contract terms and monthly pay are set by the Board Nomination and Human Resource Committee. The salary for the Executive Directors is set at a level which is considered appropriate to attract individuals with the necessary experience and ability to oversee the business. The salary is paid in cash, net of applicable income tax and other statutory deductions. This is subject to annual review. Judgement is used but consideration is given to a number of internal and external factors including responsibilities, market positioning, inflation and company performance. Other benefits provided include medical cover and other non-cash benefits such as motor vehicle and telephone benefits. Travel and other reasonable expenses incurred in the course of performing their duties are reimbursed. These ensure the package is competitive.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

Changes to remuneration for Non-Executive directors

The remuneration of the directors has not changed in 2025. Any variances between 2025 and 2024 are attributed to number of sittings attended.

Statement of voting at the general meeting on Directors' remuneration

In the last Annual General Meeting held on 26 June 2025, the shareholders unanimously passed a resolution to approve the Directors' remuneration report and the Directors' remuneration policy.

Information subject to audit (Auditable part)

Information subject to audit comprise of the amounts of each Directors' emolument and compensation in the relevant years. The Group has paid all emoluments due-there are no unpaid amounts due to Directors.

Directors' remuneration paid during the year

Non-Executive Directors

2025			2024			
Name	Fees Shs '000	Sitting Allowance Shs '000	Total Shs '000	Fees Shs '000	Sitting Allowance Shs '000	Total Shs '000
Linus Gitahi*	7,815	3,830	11,645	8,275	4,572	12,847
Shaffiq Dharamshi	Waived	Waived	Waived	Waived	Waived	-
Pamella Ager	2,520	2,160	4,680	2,670	2,140	4,810
Guedi Ainache	3,120	2,720	5,840	3,120	2,200	5,320
Uday Bhasin**	4,722	5,535	10,257	3,126	4,876	8,002
Moez Jamal	2,520	1,600	4,120	2,520	960	3,480
Irfan Keshavjee	2,520	2,880	5,400	2,520	2,400	4,920
Ismail Mawji***	-	-	-	2,040	1,480	3,520
Sagheer Mufti	3,120	2,320	5,440	3,120	1,840	4,960
Jeremy Ngunze	3,120	3,040	6,160	3,120	2,700	5,820
	29,457	24,085	53,542	30,511	23,168	53,679

* The remuneration disclosed above includes fees earned by Linus Gitahi in Diamond Trust Bank Tanzania PLC.

**Appointed on 15 July 2024. The remuneration disclosed above includes fees earned by Uday Bhasin in Diamond Trust Bank Tanzania PLC.

***Resigned on 1 November 2024

DIRECTORS' REMUNERATION REPORT (CONTINUED)

Contract of service – Executive directors

	Gross Pay	Bonus	Retirement benefits	Non Cash Benefits	Total
	Shs' 000	Shs' 000	Shs' 000	Shs' 000	Shs' 000
2025					
Nasim Devji					
- current year	109,768	-	50	1,871	111,689
- prior year	49,147	-	-	-	49,147
Murali Natarajan	91,554	-	-	3,565	95,119
Alkarim Jiwa	58,242	-	4,951	1,490	64,683
	308,711	-	5,001	6,926	320,638
2024					
Nasim Devji	61,109	-	25	1,831	62,965
Murali Natarajan	15,243	-	-	659	15,902
Alkarim Jiwa	58,254	-	4,951	1,438	64,643
	134,606	-	4,976	3,928	143,510

Approval of the Directors' remuneration report

The Directors confirm that this report has been prepared in accordance with the Kenyan Companies Act, 2015, Capital Markets Authority (CMA) Code and listing rules.

By order of the Board



Stephen Kodumbe

Company Secretary

23 March 2026
Nairobi

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation and presentation of the consolidated and separate financial statements of Diamond Trust Bank Kenya Limited set out on pages 127 to 236 which comprise the Group and Bank statements of financial position as at 31 December 2025, and the Group and Bank statements of profit or loss, Group and Bank statements of other comprehensive income, the Group and Bank statements of changes in equity and the Group and Bank statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and the information identified as subject to audit in the Directors' Remuneration Report.

The Directors' responsibilities include: determining that the basis of accounting described in Note 2 is an acceptable basis for preparing and presenting the financial statements in the circumstances, preparation and presentation of financial statements in accordance with IFRS Accounting Standards as issued by International Accountanting Standard Board (IFRS® Accounting Standards) and in the manner required by the Kenyan Companies Act, 2015 and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Under the Kenyan Companies Act, 2015, the Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Bank as at the end of the financial year and of the operating results of the Group and Bank for that year. It also requires the Directors to ensure the Bank and its subsidiaries keep proper accounting records which disclose with reasonable accuracy the financial position and profit or loss of the Group and the Bank.

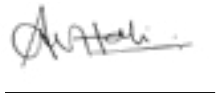
The Directors accept responsibility for the annual consolidated and separate financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with IFRS® Accounting Standards and in the manner required by the Kenyan Companies Act, 2015. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial position of the Group and the Bank and of the Group's and Bank's profit or loss.

The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The Directors have made an assessment of the Group and Bank ability to continue as a going concern and have no reason to believe the Bank and the Group will not be a going concern for at least the next twelve months from the date of this statement.

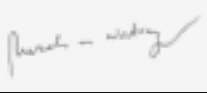
Approval of the consolidated and separate financial statements

The financial statements, as indicated above, were approved and authorised for issue by the Board of Directors on **23 March 2026**.



Linus Gitahi
Chairman

23 March, 2026



Murali Natarajan
Managing Director and Chief Executive Officer, Kenya

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DIAMOND TRUST BANK KENYA LIMITED



Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Diamond Trust Bank Kenya Limited (the "Group" and the "Bank") set out on pages 127 to 236, which comprise the Group and Bank statements of financial position as at 31 December 2025, and the Group and Bank statements of profit or loss, the Group and Bank statements of other comprehensive income, the Group and Bank statements of changes in equity and the Group and Bank statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Diamond Trust Bank Kenya Limited as at 31 December 2025, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Kenyan Companies Act, 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report. We are independent of the Group and Bank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated and separate financial statements of public interest entities in Kenya. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit matters

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

Expected credit losses on loans and advances to customers.

The disclosure associated with the expected credit losses on loans and advances to customers is set out in the consolidated and separate financial statements in the following notes:

- Note 2 (j) – Financial instruments: Impairments of financial assets, measurement of ECL and significant increase in credit risk (SICR);
- Note 3 (b) (ii) – Assumptions and estimation uncertainties, determination of significant increase in credit risk (SICR);
- Note 4 (a) – Financial risk management, credit risk management; and
- Note 19 – Loans and advances to customers.

The Key audit matter	How the matter was addressed
The measurement of expected credit losses (ECL) on loans and advances to customers involves significant judgement and estimates. The key areas where we identified greater levels of management judgement in the Group's and Bank's ECL assessment, and therefore increased levels of audit focus, were the following: Model estimations – Inherently judgemental modelling is used to estimate the ECL, which involves determining the probability of default ("PD"), loss given default ("LGD"), and exposure at default ("EAD"). The PD model is a key driver of complexity in the Group's and Bank's ECL modelling approach. Significant increase in credit risk ("SICR") – The criteria selected to identify whether a customer has experienced a significant increase in credit risk is a key area of judgement within the Group's and Bank's ECL calculation, as it determines whether a lifetime credit loss is recorded.	Our audit procedures included: - We obtained an understanding of the credit management processes, including key systems, applications and controls used in determining the loss allowance, through inquiries of management and inspection of relevant credit documentation. - We assessed the relevant general IT and application controls, including evaluating the design, implementation and operating effectiveness of the key controls over the staging criteria and the accuracy of inputs and assumptions into the IFRS 9 impairment models. This included selecting a sample of outstanding loans from the Group's and Bank's loan book to evaluate whether significant facilities were correctly staged in accordance with IFRS 9 principles and regulatory requirements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DIAMOND TRUST BANK KENYA LIMITED

(CONTINUED)



Key audit matter	How the matter was addressed in our audit
Macroeconomic scenarios – IFRS 9, Financial Instruments (IFRS 9), requires the Group and Bank's ECL to incorporate forward looking information based on a range of possible future economic conditions. Management applies judgement in selecting the macroeconomic variables, scenarios, and probability weightings used in the ECL calculation, particularly in the current uncertain economic environment. Disclosure – Credit risk disclosures are significant as they rely on material data inputs and disclose management's judgement, estimates and assumptions used in determining the ECL, including management adjustments and sensitivity analyses. Due to the extensive nature of these disclosures, which are non routine and specific to prevailing economic conditions, this required significant audit effort. As a result, we identified the impairment of loans and advances to customers as a key audit matter due to the high estimation uncertainty and the significant management judgement applied in determining the ECL.	- For a sample of key data inputs and assumptions applied in the determination of the ECL, we assessed the accuracy of the economic forecasts and challenged the PD assumptions applied by involving our internal specialists in the reperformance of the economic forecasts and PDs. - We performed independent credit reviews to evaluate the appropriateness of the Group's and Bank's SICR assessment by considering both qualitative factors (such as days past due) and quantitative indicators (including negative operating cash flows, breaches of loan agreements, declines in profitability and turnover, and reductions in collateral values) used by management in determining the classification of loans and advances into stages 1, 2, and 3. - We evaluated management's basis for establishing the ECL in terms of the Group's and Bank's policies and the requirements of IFRS 9. This included challenging the reasonableness of management's assumptions on cash flow projections and the recovery periods for collateral for a sample of the facilities by comparing the assumptions with historical realisation experience. Using our internal financial risk modelling specialists, we: - Reperformed ECL estimates, benchmarked the model calculations for material portfolios, and reperformed the PD, EAD, and LGD parameters to test the assumptions and appropriateness of the judgement applied in the ECL calculations. - Tested the performance and sensitivity of the forward looking models to evaluate the appropriateness of the Group's and Bank's methodology for determining the economic scenarios used in the forward looking information and the probability weightings applied to the base, best case and worst case economic scenarios. - Assessed the key economic variables used in the determination of the ECL, such as GDP, public debt and money supply. This included agreeing a sample of these economic variables to external sources and evaluating the overall reasonableness of the economic forecasts by comparing the Group's and Bank's forecasts to reputable external sources of macroeconomic data. - Assessed and evaluated the adequacy of the disclosures related to the ECL on loans and advances to customers in the consolidated and separate financial statements in accordance with IFRS 7, Financial Instruments: Disclosures.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Diamond Trust Bank Integrated Report & Financial Statements 2025", but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of audit opinion or any form of assurance conclusion thereon, other than that prescribed by the Kenyan Companies Act, 2015 as set out below.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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 a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DIAMOND TRUST BANK KENYA LIMITED

(CONTINUED)



Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Kenyan Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Bank or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DIAMOND TRUST BANK KENYA LIMITED

(CONTINUED)

KPMG

Report on other legal and regulatory requirements.

As required by the Kenyan Companies Act, 2015, we report to you solely based on our audit of the consolidated and separate financial statement that, in our opinion:

- The information given in the Report of the Directors on pages 116 to 118 is consistent with the consolidated and separate financial statements.
- The auditable part of the directors' remuneration report on pages 120 to 121, has been prepared in accordance with the requirements of the Kenyan Companies Act, 2015.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Jacob Gathecha practicing certificate number P/1610.



For and on behalf of

KPMG Kenya
Certified Public Accountants (Kenya)
PO Box 40612 – 00100
Nairobi

Date: 23 March 2026.



UNIQUE CODE: 36969260325

GROUP AND BANK STATEMENTS

OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2025

		Group		Bank	
	Note	2025	2024	2025	2024
		Shs'000	Shs'000	Shs'000	Shs'000
CONTINUING OPERATIONS			*Restated		
Interest income calculated using effective interest method	5	60,997,356	59,311,745	43,100,944	40,936,903
Interest expense	6	(26,114,575)	(31,213,636)	(19,416,050)	(23,880,558)
Net interest income		34,882,781	28,098,109	23,684,894	17,056,345
Fee and commission income	7 a)	7,064,815	6,394,470	4,051,512	3,934,513
Fee and commission expense		(145,953)	(128,116)	(127,208)	(119,361)
Net fee and commission income		6,918,862	6,266,354	3,924,304	3,815,152
Foreign exchange income		2,278,047	4,737,994	1,224,818	2,965,189
Other operating income	7 b)	1,337,453	694,646	1,233,564	346,902
Operating income		45,417,143	39,797,103	30,067,580	24,183,588
Operating expenses	8	(22,782,349)	(21,225,554)	(13,407,094)	(11,681,353)
Net impairment charge on loans and advances	19	(8,681,072)	(7,401,567)	(8,093,648)	(5,963,153)
Profit from operations		13,953,722	11,169,982	8,566,838	6,539,082
(Loss)/gain on modification of loans	4 (a)	(19,614)	(99,572)	(10,075)	17,225
Profit before income tax for continuing operations		13,934,108	11,070,410	8,556,763	6,556,307
Income tax expense	10	(2,694,299)	(2,301,621)	(1,292,217)	(1,245,820)
Profit for the year from continuing operations		11,239,809	8,768,789	7,264,546	5,310,487
Discontinued operations net of tax					
(Loss)/profit from discontinued operations net of tax	11	(532,610)	50,620	592,500	-
Profit for the year		10,707,199	8,819,409	7,857,046	5,310,487
Profit attributable to:					
Owners of the Bank		9,407,239	7,642,442	7,857,046	5,310,487
Non controlling interests	28(c)	1,299,960	1,176,967	-	-
		10,707,199	8,819,409	7,857,046	5,310,487
Earnings per share (Shs per share)					
Basic and diluted	12	33.65	27.33		

* The comparative information has been represented due to a discontinued operation.
In the statement of profit or loss, revenue is considered to be the sum of net interest income, net fee and commission income, Foreign exchange income, net income from other financials instruments at FVTPL, and net loss arising from derecognition of financial assets measured at amortised cost.
The notes on pages 135 to 236 are an integral part of these financial statements

GROUP AND BANK STATEMENTS OF
OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

		Group		Bank	
	Note	2025	2024	2025	2024
		Shs'000	Shs'000	Shs'000	Shs'000
			*Restated		
Profit for the year		10,707,199	8,819,409	7,857,046	5,310,487
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Continuing operations					
Exchange differences on translating foreign operations		2,022,709	(5,901,059)	-	-
Net gain/(loss) from changes in fair value of government securities		11,790,926	4,756,204	11,086,815	5,211,585
Income tax relating to the fair value of government securities	25	(211,296)	367,038	-	-
Discontinued operations					
Exchange differences on translating foreign operations	11	-	(358,841)	-	-
Other comprehensive income for the year, net of tax		13,602,339	(1,136,658)	11,086,815	5,211,585
Total comprehensive income for the year		24,309,538	7,682,751	18,943,861	10,522,072
Total comprehensive income attributable to:					
Owners of the Bank		22,718,284	8,567,730	18,943,861	10,522,072
Non controlling interests	28(e)	1,591,254	(884,979)	-	-
		24,309,538	7,682,751	18,943,861	10,522,072

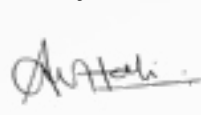
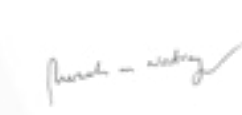
* The comparative information has been represented due to a discontinued operation.
* The notes on pages 135 to 236 are an integral part of these financial statements

GROUP AND BANK STATEMENTS OF
FINANCIAL POSITION

AS AT 31 DECEMBER 2025

		Group		Bank	
		2025	2024	2025	2024
	Note	Shs'000	Shs'000	Shs'000	Shs'000
Assets					
Cash and balances with Central Banks	15	78,327,382	45,959,773	40,755,687	14,962,662
Government securities	16	185,955,297	173,897,190	149,259,124	126,766,961
Deposits and balances due from banking institutions	17	33,010,186	30,812,392	4,854,226	12,446,574
Loans and advances to customers	19	324,172,604	285,296,663	226,062,444	197,492,660
Derivative assets	36 (b)	39,727	506,159	39,440	484,569
Assets held for sale	26	-	681,008	-	681,008
Other assets	20	5,046,675	3,815,969	3,042,151	1,752,816
Current tax asset	10(c)	17,786	2,102,887	-	2,080,447
Corporate bond at amortised cost	18	911,578	-	-	-
Equity investment - at fair value through other comprehensive income (FVOCI)	27	50,000	50,000	50,000	50,000
Intangible assets - software costs	21	1,872,489	2,219,031	1,281,356	1,481,610
Property and equipment	22	6,623,997	6,836,490	4,459,691	4,432,049
Intangible assets - goodwill	23	173,372	173,372	-	-
Right of use asset	24	4,590,415	4,762,433	3,156,157	3,186,707
Deferred tax asset	25	18,326,969	16,696,672	11,137,527	9,566,085
Investments in subsidiaries	28	-	-	5,115,794	5,752,701
Investments in associates	28	1	76,875	1	1
Total assets		659,118,478	573,886,914	449,213,598	381,136,850
Liabilities					
Deposits from customers	29	509,139,215	447,216,813	343,963,066	294,072,059
Deposits and balances from banking institutions	30	21,035,624	17,143,157	12,790,366	11,096,569
Derivative liabilities	36(b)	53,538	108,768	46,068	108,768
Other liabilities	31	8,963,248	8,123,864	4,984,040	3,670,735
Current tax liabilities	10(c)	898,318	510,468	531,505	-
Borrowings	32	1,505,015	3,667,451	1,278,256	3,366,172
Lease liabilities	24	4,484,552	4,759,731	3,335,138	3,285,308
Total liabilities		546,079,510	481,530,252	366,928,439	315,599,611
Shareholders' equity					
Share capital	33	1,118,409	1,118,409	1,118,409	1,118,409
Share premium	33	9,006,569	9,006,569	9,006,569	9,006,569
Retained earnings	34(c)	71,143,527	64,017,345	56,148,466	49,438,206
Statutory credit loss reserve	34 (d)	4,987,601	6,318,592	4,742,904	5,805,096
Other reserves	34	12,331,541	(639,259)	8,752,391	(1,788,257)
Proposed dividend	13	2,516,420	1,957,216	2,516,420	1,957,216
Equity attributable to owners of the Bank		101,104,067	81,778,872	82,285,159	65,537,239
Non controlling interests	28(c)	11,934,901	10,577,790	-	-
Total equity		113,038,968	92,356,662	82,285,159	65,537,239
Total liabilities and equity		659,118,478	573,886,914	449,213,598	381,136,850

The financial statements on pages 127 to 236 approved and authorised for issue by the Board of Directors on 23 March 2026 and signed on its behalf by:

			
Linus Gitahi	Murali Natarajan	Uday Bhasin	Stephen Kodumbe
Chairman	Managing Director and Chief Executive Officer, Kenya	Director	Company Secretary

The notes on pages 135 to 236 are an integral part of these financial statements

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital	Share premium	Statutory credit loss reserve	Other reserves	Retained earnings	Proposed dividend	Attributable to equity holders of the Bank	Non controlling interests	Total
Note	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
At 1 January 2025	1,118,409	9,006,569	6,318,592	(639,259)	64,017,345	1,957,216	81,778,872	10,577,790	92,356,662
Deconsolidation of DTB Burundi Balances	(i)	-	-	211,264	(1,408,412)	-	(1,197,148)	(146,827)	(1,343,975)
Profit for the year		-	-	-	9,407,239	-	9,407,239	1,299,960	10,707,199
Other comprehensive income		-	-	13,311,045	-	-	13,311,045	291,294	13,602,339
Transfer of excess depreciation		-	-	(38,039)	38,039	-	-	-	-
Deferred tax on transfer of excess depreciation		-	-	6,850	(6,850)	-	-	-	-
Statutory credit loss reserve	(ii)	-	(1,330,991)	-	1,330,991	-	-	-	-
Total comprehensive income		-	(1,330,991)	13,279,856	10,769,419	-	22,718,284	1,591,254	24,309,538
Sale of land previously held for sale	26	-	-	(520,320)	281,595	-	(238,725)	-	(238,725)
Transactions with owners in their capacity as owners:									
Dividends:									
• Final for 2024 paid		-	-	-	-	(1,957,216)	(1,957,216)	(87,316)	(2,044,532)
• Proposed for 2025	13	-	-	-	(2,516,420)	2,516,420	-	-	-
Total transactions with owners, recognised directly in equity		-	-	-	(2,516,420)	-	-	-	-
At end of year	1,118,409	9,006,569	4,987,601	12,331,541	71,143,527	2,516,420	101,104,067	11,934,901	113,038,968

(i) The Group disposed its stake in DTB Burundi as at 31 December 2025. The balances have therefore been deconsolidated and the operations shown as a discontinued operation.

(ii) Where impairment losses required by prudential guidelines issued by the banking regulators exceed those computed under the IFRS Accounting Standards , the excess is recognised as a statutory reserve and accounted for as an appropriation from revenue reserves.

The notes on pages 135 to 236 are an integral part of these financial statements

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	Share premium	Statutory credit loss reserve	Other reserves	Retained earnings	Proposed dividend	Attributable to equity holders of the Bank	Non controlling interests	Total
Note	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
At 1 January 2024	1,118,409	9,006,569	258,083	(1,542,330)	64,370,411	1,677,613	74,888,755	11,462,769	86,351,524
Profit for the year		-	-	-	7,642,442	-	7,642,442	1,176,967	8,819,409
Other comprehensive income		-	-	925,288	-	-	925,288	(2,061,946)	(1,136,658)
Transfer of excess depreciation		-	-	(38,392)	38,392	-	-	-	-
Deferred tax on transfer of excess depreciation		-	-	6,956	(6,956)	-	-	-	-
Statutory credit loss reserve	(i)	-	6,060,509	-	(6,060,509)	-	-	-	-
Legal and public investment reserve	(ii)	-	-	9,219	(9,219)	-	-	-	-
Total comprehensive income		-	6,060,509	903,071	1,604,150	-	8,567,730	(884,979)	7,682,751
Transactions with owners in their capacity as owners:									
Dividends:									
• Final for 2023 paid		-	-	-	-	(1,677,613)	(1,677,613)	-	(1,677,613)
• Proposed for 2024	13	-	-	-	(1,957,216)	1,957,216	-	-	-
Total transactions with owners, recognised directly in equity		-	-	-	(1,957,216)	-	-	-	-
At end of year	1,118,409	9,006,569	6,318,592	(639,259)	64,017,345	1,957,216	81,778,872	10,577,790	92,356,662

(i) Where impairment losses required by prudential guidelines issued by the banking regulators exceed those computed under the IFRS Accounting Standards , the excess is recognised as a statutory reserve and accounted for as an appropriation from revenue reserves.

(ii) The prudential guidelines in Burundi require banks to set aside 5% of their previous year's retained earnings in a reserve that is not distributable to shareholders (legal reserve). Further the law requires all Financial Institutions to set aside a reserve equivalent to 30% of the Bank's profit after tax as investment reserve intended to finance the public infrastructure of large scale after ten years.

The notes on pages 135 to 236 are an integral part of these financial statements

BANK STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital	Share premium	Statutory credit loss reserve	Other reserves	Retained earnings	Proposed dividend	Total
Note	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
At 1 January 2025	1,118,409	9,006,569	5,805,096	(1,788,257)	49,438,206	1,957,216	65,537,239
Profit for the year	-	-	-	-	7,857,046	-	7,857,046
Net gain from changes in fair value of government securities	-	-	-	11,086,815	-	-	11,086,815
Transfer of excess depreciation	-	-	-	(30,408)	30,408	-	-
Deferred tax on transfer of excess depreciation	-	-	-	4,561	(4,561)	-	-
Statutory credit loss reserve	-	-	(1,062,192)	-	1,062,192	-	-
(i)							
Total comprehensive income	-	-	(1,062,192)	11,060,968	8,945,085	-	18,943,861
Sale of land previously held for sale	-	-	-	(520,320)	281,595	-	(238,725)
26							
Transactions with owners in their capacity as owners:							
Dividends:							
• Final for 2024 paid	-	-	-	-	-	(1,957,216)	(1,957,216)
• Proposed for 2025	-	-	-	-	(2,516,420)	2,516,420	-
13							
Total transactions with owners, recognised directly in equity	-	-	-	-	(2,516,420)	559,204	(1,957,216)
At end of year	1,118,409	9,006,569	4,742,904	8,752,391	56,148,466	2,516,420	82,285,159

(i) Where impairment losses required by prudential guidelines issued by the Banking Regulators exceed those computed under the IFRS Accounting Standards , the excess is recognised as a statutory reserve and accounted for as an appropriation from revenue reserves.

The notes on pages 135 to 236 are an integral part of these financial statements

BANK STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	Share premium	Statutory credit loss reserve	Other reserves	Retained earnings	Proposed dividend	Total
Note	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
At 1 January 2024	1,118,409	9,006,569	-	(6,973,995)	51,864,184	1,677,613	56,692,780
Profit for the year	-	-	-	-	5,310,487	-	5,310,487
Net gain from changes in fair value of government securities	-	-	-	5,211,585	-	-	5,211,585
Transfer of excess depreciation	-	-	-	(30,408)	30,408	-	-
Deferred tax on transfer of excess depreciation	-	-	-	4,561	(4,561)	-	-
Statutory credit loss reserve	-	-	5,805,096	-	(5,805,096)	-	-
Total comprehensive income	-	-	5,805,096	5,185,738	(468,762)	-	10,522,072
Transactions with owners in their capacity as owners:							
Dividends:							
• Final for 2023 paid	-	-	-	-	-	(1,677,613)	(1,677,613)
• Proposed for 2024	-	-	-	-	(1,957,216)	1,957,216	-
13							
Total transactions with owners, recognised directly in equity	-	-	-	-	(1,957,216)	279,603	(1,677,613)
At end of year	1,118,409	9,006,569	5,805,096	(1,788,257)	49,438,206	1,957,216	65,537,239

(i) Where impairment losses required by prudential guidelines issued by the Banking Regulators exceed those computed under the IFRS Accounting Standards , the excess is recognised as a statutory reserve and accounted for as an appropriation from revenue reserves

The notes on pages 135 to 236 are an integral part of these financial statements

GROUP AND BANK
STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025			Group		Bank
	Note	2025 Shs'000	2024 Shs'000 *Restated	2025 Shs'000	2024 Shs'000 *Restated
Cash generated from operating activities					
Cash generated from/(used in) operating activities	35	8,797,874	(6,636,050)	(1,557,312)	(7,308,276)
Interest received		59,797,541	59,391,712	42,087,440	39,550,055
Interest paid on customer and bank deposits		(24,736,411)	(28,202,306)	(19,651,872)	(20,579,653)
Interest paid on borrowings		(225,130)	(1,711,502)	(165,185)	(1,662,922)
Payments for interest portions of the lease liabilities	24	(572,442)	(520,812)	(401,438)	(364,302)
Income taxes paid	10(c)	(1,821,536)	(2,535,906)	(159,885)	(181,029)
Net cash generated from operating activities		41,239,896	19,785,136	20,151,748	9,453,873
Cash flows used in investing activities					
Purchase of property and equipment	22	(1,204,994)	(1,185,348)	(717,712)	(658,883)
Purchase of intangible assets - software costs	21	(376,097)	(1,277,835)	(349,309)	(896,370)
Cashflows used in discontinued operations		(1,569,676)	-	-	-
Expenses related to the sale of DTB Burundi		(41,447)	-	(41,447)	-
Proceeds from sale of investment in Government securities		731,650	7,318	731,650	7,318
Proceeds from sale of property and equipment		211,702	17,101	189,084	6,675
Proceeds from sale of land held for sale	26	350,461	-	350,461	-
Dividend received	7	-	-	316,204	180,000
Net cash used in investing activities		(1,898,401)	(2,438,764)	478,931	(1,361,260)
Cash flows used in financing activities					
Proceeds from borrowings		174,803	-	174,803	-
Payment of principal portion of borrowings		(2,294,425)	(16,036,683)	(2,261,031)	(15,752,010)
Payments for principal portions of the lease liabilities	24	(474,994)	(441,203)	(81,544)	(87,204)
Dividends paid to equity holders of the bank	13	(1,957,216)	(1,677,613)	(1,957,216)	(1,677,613)
Dividends paid to non controlling interests		(87,316)	-	-	-
Net cash used in financing activities		(4,639,148)	(18,155,499)	(4,124,988)	(17,516,827)
Net increase/(decrease) in cash and cash equivalents		34,702,347	(809,127)	16,505,691	(9,424,214)
Cash and cash equivalents at start of year		59,654,616	61,234,913	16,317,917	25,742,131
Effect of exchange rate fluctuations on cash and cash equivalents		(4,033,977)	(771,170)	-	-
		55,620,639	60,463,743	16,317,917	25,742,131
Cash and cash equivalents at end of year	38	90,322,986	59,654,616	32,823,608	16,317,917

* The cash and cash equivalents have been restated as described on note 2 (x).
The notes on pages 135 to 236 are an integral part of these financial statements

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS

1. General information

Diamond Trust Bank Kenya Limited (the “Company”/”Bank”) or (DTB Kenya) and its subsidiaries (together the “Group”) provide banking and other related services to the general public. The Company is incorporated in Kenya under the Kenyan Companies Act, 2015 and is domiciled in Kenya. The address of its registered office is as disclosed on page 3. The shares of the Company are listed on the Nairobi Securities Exchange. Diamond Trust Bank Kenya Limited and its subsidiaries operate in Kenya, Tanzania, Uganda through the subsidiaries Diamond Trust Bancassurance Intermediary Limited, Diamond Trust Bank Tanzania PLC and Diamond Trust Bank Uganda Limited respectively. As at 31 December 2025, Diamond Trust Bank Burundi S.A.(DTB Burundi) ceased to be a subsidiary of the bank following the sale of DTB Kenya’s entire shareholding which represented 83.67% of the capital of DTB Burundi to a consotium of investors principally based in Burundi (see note 11).

2. Material accounting policies

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.Certain comparative amounts in the statement of cashflows have been reclassified to reflect a more appropriate clasification (see note 2).

For Kenyan Companies Act, 2015 reporting purposes, the balance sheet is represented by the statement of financial position, and the profit and loss account by the statement of profit or loss in these financial statements. There are no other discrepancies between the requirements of Kenyan Companies Act, 2015 and the IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

(a) Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Kenyan Companies Act, 2015. The financial statements are presented in Kenya Shillings (Shs), rounded to the nearest thousand. These financial statements are prepared on a going concern basis.

Basis of measurement

The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. For those assets and liabilities measured at fair value, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Group using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items or discounted cash flow analysis). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account.

Fair values are categorised into three levels of fair value hierarchy based on the degree to which the inputs to the measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

Level 1 – fair value measurements are derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – fair value measurements are derived from inputs other than quoted prices used in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – fair values measurements are derived from valuation techniques that include inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognised by the Group and Bank at the end of the reporting period during which the change occurred.

Use of estimates

The preparation of financial statements in conformity with IFRS® Accounting Standards requires the use of certain critical accounting estimates. It also requires the Board to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are material to the financial statements, are disclosed in Note 3.

Changes in accounting policy and disclosures

(i) New standards, amendments and interpretations effective and adopted during the year

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards that are mandatorily effective for an accounting period that begins on or after 1 January 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

New amendments or interpretation	Effective for annual periods beginning on or after
Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability	1 January 2025

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

2. Material accounting policies (Continued)

Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

The Group has adopted the amendments to IAS 21 for the first time in the current year. The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

(ii) New standards, amendments and interpretations in issue but not yet effective for the year ended 31 December 2025

The Group has not applied any new or revised standards and interpretations that have been published but are not yet effective for the year ended 31 December 2025, and the directors do not plan to apply any of them until they become effective. The new and revised standards and interpretations have been listed below with their effective dates including reasonably estimable information relevant to assessing the possible impact that application of them will have on the Group's financial statements in the period of initial application.

New amendments or interpretation	Effective date
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	1 January 2026
Annual Improvements to IFRS Accounting Standards Volume 11 – Amendments to: • IFRS 1 First-time Adoption of International Financial Reporting Standards; • IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; • IFRS 9 Financial Instruments; • IFRS 10 Consolidated Financial Statements; and • IAS 7 Statement of Cash flows"	1 January 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IAS 21 The Effects of Changes in Foreign Exchange Rates	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

Apart from IFRS 18, all the new standards, amendments and interpretations are not expected to have a material impact on the Group financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

The directors of the Group anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods.

(b) Consolidation

Subsidiaries are all entities over which the Group has control. 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The consolidated financial statements comprise the financial statements of Diamond Trust Bank Kenya Limited and its subsidiaries, Diamond Trust Bank Tanzania PLC, Diamond Trust Bank Uganda Limited, Diamond Trust Bancassurance Intermediary Limited and Premier Savings and Finance Limited, made up to 31 December 2025.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of 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 disposals to non-controlling interests are also recorded in equity.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

2. Material accounting policies (Continued)

(b) Consolidation (Continued)

(b) Consolidation

Changes in ownership interests in subsidiaries without change of control (Continued)

All inter-company transactions, balances and unrealised surpluses and deficits on transactions between the Group companies are eliminated. The accounting policies for the subsidiaries are consistent with the policies adopted by the Bank.

Investment in associates

Associates are undertakings in which the Group has between 20% and 50% of the voting rights, and over which the Group exercises significant influence, but which it does not control. Impairment losses are recorded in the profit or loss.

Investment in associates

Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost in the consolidated and separate financial statements. Equity accounting involves recognising in the statement of profit or loss the Group's share of the associates' profit or loss for the year. The Group's interest in the associates is carried in the statement of financial position at an amount that reflects its share of the net assets of the associates and includes goodwill at acquisition.

Investment in subsidiaries

Investments in the subsidiaries (details of which are disclosed in Note 28) are stated in the Bank's statement of financial position at cost less provision for impairment loss where applicable. Where there has been impairment in the value of an investment, the loss is recognised as an expense in the period in which the impairment is identified.

Loss of control

When the Group loses control over a subsidiary , it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(c)Discontinued operation

A discontinued operation is a component of the Group's business, the operations and the cashflows of which can be clearly distinguished from the rest of the Group and which:

- Represents a separate major line of business or geographic area of operation
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operation.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income (OCI) is represented as if the operation had been discontinued from the start of the comparative year.

(d)Foreign currency translation

(i)Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Kenya Shillings, which is the Bank's functional and Group's presentation currency.

(ii)Transactions and balances

Foreign currency transactions are transactions denominated or that require settlement, in a foreign currency. These are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

(iii)Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Kenya Shillings using exchange rates prevailing at the end of the reporting period. Income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

2. Material accounting policies (Continued)

(iii)Group companies (Continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are reported as 'exchange differences on translation of foreign operations' and are recognised as other comprehensive income and accumulated in the translation reserve in shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the statement of profit or loss as part of the gain or loss on sale.

(e) Interest income and expense

Effective interest rate

All Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit loss (ECL). For purchased or originated credit impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Calculation of interest income and expense

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest. The effective interest rate is also revised for fair value hedge adjustments at the date amortisation of the hedge adjustment begins.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

For information on when financial assets are credit-impaired, see Note 2 (j).

Presentation

Interest income calculated using the effective interest method presented in the statement of profit or loss and other comprehensive income (OCI) includes:

- interest on financial assets and financial liabilities measured at amortised cost
- interest on debt instruments measured at fair value through other comprehensive income (FVOCI)
- the effective portion of fair value changes in qualifying hedging derivatives designated in cash flow hedges of variability in interest cash flows, in the same period as the hedged cash flows affect interest income/expense; and
- the effective portion of fair value changes in qualifying hedging derivatives designated in fair value hedges of interest rate risk.

"Interest expense presented in the statement of profit or loss and OCI includes:

- financial liabilities measured at amortised cost; and
- the effective portion of fair value changes in qualifying hedging derivatives designated in cash flow hedges of variability in interest cash flows, in the same period as the hedged cash flows affect interest income/expense.

(f) Fees and commission income

The Group provides banking services to retail and corporate customers including account management, provision of overdraft and loan facilities, trade finance, credit card and service fees. Unless included in the effective interest calculation in (e) above, fees and commissions are generally recognised over time as the service is provided. Revenue related to transactions is recognised at the point in time when the transaction takes place. Fees for ongoing account management are charged to the customer's account on a monthly basis. Loan appraisal fees for loans that have been or are likely to be drawn down are deferred and recognised over the period of the loan using the effective interest method.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

2. Material accounting policies (Continued)

(f) Fees and commission income (Continued)

Fees and commission expense are deferred and recognised on an accrual basis when incurred. A contract with a customer that results in a recognised 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 measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual. Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

Foreign exchange income

Trading positions are held at fair value and the resulting gains and losses are included in profit or loss, together with interest and dividends arising from long and short positions and funding costs relating to trading activities. Income arises from both the sale and purchase of trading positions, margins which are achieved through market-making and customer business and from changes in fair value caused by movements in interest and exchange rates, equity prices and other market variables. Gains or losses on assets or liabilities reported in the trading portfolio are included in profit or loss under foreign exchange income together with income arising from long and short positions and funding costs relating to trading activities.

(g) Property and equipment

Property and equipment are initially recorded at cost. Land and buildings are subsequently shown at market value, based on valuations carried out every 3 to 5 years by external independent valuers, less subsequent depreciation and accumulated impairment losses. All other property and equipment are stated at historical cost less depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's 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. Repairs and maintenance expenses are charged to the statement of profit or loss in the year in which they are incurred.

Increases in the carrying amount arising on revaluation are credited in other comprehensive income and accumulated in equity in a revaluation reserve. Decreases that offset previous increases of the same asset are charged in other comprehensive income; all other decreases are charged to the statement of profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the statement of profit or loss) and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings. Revaluation surpluses are not distributable.

Depreciation is calculated on a straight line basis by reference to the expected useful lives of the assets concerned. The rates used are as follows:

Buildings	Period of lease
Leasehold improvements	Period of lease
Motor vehicles	25%
Furniture, fittings and equipment	12.5%, 20% and 25%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Property and equipment are periodically reviewed for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. On disposal of revalued assets, amounts in the revaluation surplus reserve relating to that asset are transferred to retained earnings.

(h) Intangible assets – software costs

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production or procurement of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software implementation consultancy costs and an appropriate portion of relevant overheads. The costs are amortised on a straight line basis over the expected useful life of five years (at the rate of 20% per year).

Subsequent expenditure on software assets is capitalised only when it increases the future, economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as it is incurred.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

2. Material accounting policies (Continued)

(i) Intangible assets – goodwill

Goodwill is the excess of the cost of an acquisition (including costs directly attributable to the acquisition) over the fair value of the Group's share of net identifiable assets of acquired subsidiaries at the date of acquisition. Goodwill is tested annually for impairment as well as when there are indications of impairment. Goodwill arising on acquisition of subsidiaries is stated at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units or Groups of cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified in accordance with IFRS 8.

Goodwill is tested annually as well as whenever a trigger event has been observed for impairment by comparing the present value of the expected future cash flows from a cash generating unit with the carrying value of its net assets, including attributable goodwill carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(j) Financial instruments

Initial recognition and initial measurement of financial assets

The Group recognises a financial asset in its statement of financial position when it becomes party to the contractual provisions of the instrument. Financial asset (except for certain trade receivables) is measured at initial recognition at its fair value plus, for financial assets not subsequently measured 'at fair value through profit or loss' transaction costs that are directly attributable to the acquisition of the financial asset. The Group's Trade receivables that do not have a significant financing component (determined in accordance with IFRS 15- Revenue from Contracts with Customers) are not initially measured at fair value, rather they are initially measured at their transaction price. The Group initially recognises loans and advances, deposits, debt securities issued and subordinated liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Classification and measurement of financial assets

Subsequent to initial recognition, the Group's financial assets are measured at:

1. amortised cost
2. fair value through other comprehensive income (FVOCI) or
3. fair value through profit or loss (FVPL).

Except for the Group's financial assets that are designated at initial recognition as at fair value through profit or loss, the Group's financial asset is classified on the basis of both:

- a. the Group's business model for managing the financial assets and
- b. the contractual cash flow characteristics of the financial asset.

(i) amortised cost

Except for the Group's financial assets that are designated at initial recognition as at fair value through profit or loss the Group's financial asset is measured at amortised cost only if both of the following conditions are met:

- a. the financial asset of the Group is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- b. the contractual terms of the Group's financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

If the Group's financial asset satisfies both of these conditions, the Group measures the financial asset at amortised cost unless it is designated as at fair value through profit or loss (FVPL) on initial recognition.

Any of the Group's Financial assets that do not meet the conditions stated above, are required to be subsequently measured at fair value through profit or loss except for investments in equity instruments not held for trading that are elected at initial recognition to be measured at fair value through other comprehensive income. Financial assets of the Group that meets the condition in (b) above but do not meet the condition in (a) above, may meet the criteria to be measured at fair value through other comprehensive income.

Because both conditions (the business model test and the contractual cash flows characteristics test) must be met for amortised cost measurement, the order in which the tests are performed is irrelevant for the Group.

The Group classifies its financial assets into the following categories: financial assets at fair value through profit and loss (FVPL); equity investments designated as at fair value through other comprehensive income (FVOCI) and financial assets at amortised cost. Management determines the appropriate classification of its investment at initial recognition. The classification of financial instruments can be seen in the table below:

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

2. Material accounting policies (Continued)

(j) Financial instruments (Continued)

Classification and measurement of financial assets (Continued)

	Class as defined by IFRS 9 and as determined by the Group	Subclasses
On Balance sheet Financial assets	Financial assets at fair value through profit and loss (FVPL)	Government securities held for trading Equity investments Derivative assets
	Investments as at fair value through other comprehensive income (FVOCI)	Equity investments Government securities acquired for both holding and selling
	Financial assets at amortised cost	Loans and advances to customers
		Deposits and balances due from banking institutions
		Government securities held to collect contractual cashflows Cash and balances with Central Banks Other assets Corporate bond
On balance sheet Financial liabilities	Financial liabilities at armortised cost	Deposits from customers
		Deposits and balances due to banking institutions
		Other liabilities
		Borrowings
	Financial liabilities at FVPL	Derivative liabilities
Off-balance sheet financial instruments	Off-balance sheet financial instruments	Guarantees, acceptances and other financial facilities

Business model assessment for amortised cost measurement

For amortised cost measurement, the Group's financial assets are held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows.

Financial assets of the Group that are held within a business model whose objective is to hold assets in order to collect contractual cash flows are managed to realize cash flows by collecting contractual payments over the life of the instrument. That is, the Group manages the assets held within the portfolio to collect those particular contractual cash flows (instead of managing the overall return on the portfolio by both holding and selling assets).

In determining whether cash flows are going to be realized by collecting the Group's financial assets' contractual cash flows, the Group considers the frequency, value and timing of sales in prior periods, the reasons for those sales and expectations about future sales activity. However sales in themselves do not determine the business model of the Group and therefore cannot be considered in isolation. Instead, information about the Group's past sales and expectations about future sales provide evidence related to how the Group's stated objective for managing the financial assets is achieved and, specifically, how cash flows are realized. The Group considers information about past sales within the context of the reasons for those sales and the conditions that existed at that time as compared to current conditions.

Except for financial assets of the Group that are designated at initial recognition as at fair value through profit or loss the Group's financial asset is measured at fair value through other comprehensive income (FVOCI) if both of the following conditions are met:

- a. the Group's financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b. the contractual terms of the Group's financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets of the Group that do not meet the condition in (b) above, are required to be subsequently measured at fair value through profit or loss or in the case of certain investments in equity instruments may be elected at initial recognition to be measured at fair value through other comprehensive income. Financial asset of the Group that meets the condition in (b) above, but does not meet the condition in (a) above, may meet the criteria to be measured at amortised cost.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

2. Material accounting policies (Continued)

(j) Financial instruments (Continued)

Designation of equity instruments as at FVOCI

At initial recognition, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3- Business Combinations applies. The Group's financial asset is held for trading if:

- a. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- b. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking; or
- c. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

The election by the Group to designate an investment in an equity instrument at FVOCI is made on an instrument-by-instrument (i.e. share-by-share) basis. If the election is made, only dividend income that does not clearly represent a recovery of part of the cost of the investment is recognised in profit or loss, with all other gains and losses (including those relating to foreign exchange) recognised in other comprehensive income. These gains and losses remain permanently in equity and are not subsequently reclassified to profit or loss, even on derecognition. However, the Group may transfer the cumulative gain or loss within equity as a reserve movement.

Business model assessment for FVOCI measurement

Fair value through other comprehensive income measurement financial assets must be held within the Group's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

The Group may hold financial assets in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In this type of business model, the Group's key management personnel have made a decision that both collecting contractual cash flows and selling financial assets are integral to achieving the objective of the business model. There are various objectives that may be consistent with this type of business model.

For example, the objective of the Group's business model may be to manage everyday liquidity needs, to maintain a particular interest yield profile or to match the duration of the financial assets to the duration of the liabilities that those assets are funding. To achieve such an objective, the Group will both collect contractual cash flows and sell financial assets.

Compared to the Group's business model whose objective is to hold financial assets to collect contractual cash flows, this business model will typically involve greater frequency and value of sales. This is because selling financial assets is integral to achieving the business model's objective instead of being only incidental to it. However, there is no threshold for the frequency or value of sales that must occur in this business model because both collecting contractual cash flows and selling the Group's financial assets are integral to achieving its objective.

Fair value through profit or loss (FVPL)

The Group classifies assets that do not qualify for amortised cost measurement or measurement at FVOCI to be measured subsequently to initial recognition at FVPL (except if it is an investment in an equity instrument designated at FVOCI).

The Group may irrevocably elect on initial recognition to designate a financial asset that meets the conditions for amortised cost measurement or FVOCI as at FVPL if that designation eliminates or significantly reduces accounting mismatch that would have occurred if the financial asset had been measured at amortised cost or FVOCI.

Financial assets of the Group classified as at FVPL are measured at fair value. Gains and losses that arise as a result of changes in fair value are recognised in profit or loss, except for those arising on hedging instruments that are designated in effective cash flow hedges or hedges of a net investment in a foreign operation.

Gains and losses that arise between the end of the last annual reporting period and the date an instrument is derecognised do not constitute a separate 'profit/loss on disposal'. Such gains and losses will have arisen prior to disposal, while the item is still being measured at FVPL, and should be recognised in profit or loss when they occur.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio levels because this best reflects the way the business is managed and information is provided to management. The information considered includes:

1. The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
2. How the performance of the portfolio is evaluated and reported to the Group's management;
3. The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
4. Compensation of business managers – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
5. The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realized.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

2. Material accounting policies (Continued)

(j) Financial instruments (Continued)

Business model assessment (Continued)

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Contractual cash flows characteristics test

Financial asset of the Group that are debt instruments to be measured at amortised cost or fair value through comprehensive income, contractual terms must give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. For the purposes of applying this requirement, principal is the fair value of the financial asset at initial recognition, however that principal amount may change over the life of the financial asset (for example, if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

The assessment as to whether contractual cash flows are solely payments of principal and interest is made in the currency in which the financial asset is denominated.

Contractual cash flows that are solely payments of principal and interest on the principal amount outstanding are consistent with a basic lending arrangement. In a basic lending arrangement, consideration for the time value of money and credit risk are typically the most significant elements of interest.

However, in such an arrangement, interest can also include consideration for other basic lending risks (for example, liquidity risk) and costs (for example, administrative costs) associated with holding the financial asset for a particular period of time. In addition, interest can include a profit margin that is consistent with a basic lending arrangement. In extreme economic circumstances, interest can be negative if, for example, the holder of a financial asset either explicitly or implicitly pays for the deposit of its money for a particular period of time (and that fee exceeds the consideration that the holder receives for the time value of money, credit risk and other basic lending risks and costs). However, contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. An originated or an acquired or purchased financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)

'Principal' is the fair value of the Group's financial asset on initial recognition. 'Interest' is consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the Group's financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- Features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

The Group holds a portfolio of fixed rate loans for which the Group has the option to propose to revise the interest rate at periodic reset dates. These reset rights are limited to the market rate at the time of revision. The borrowers have an option to either accept the revised rate or redeem the loan at par without penalty. The Group has determined that the contractual cash flows of these loans are solely payments of principal and interest because the option varies the interest rate in a way that makes its consideration for the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

Measurement at the date of reclassification

When the Group's financial asset is reclassified from amortised cost to FVOCI (or vice versa) the measurement of expected credit losses will not change as both classification categories apply the same impairment approach. However, the presentation and disclosure of the impairment allowance will differ. If the Group's financial asset is reclassified out of FVOCI to amortised cost measurement, for presentation purposes, a loss allowance would be recognised as an adjustment to the gross carrying amount of the financial asset from the reclassification date. If the Group's financial asset is reclassified out of amortised cost to FVOCI measurement, for presentation purposes, a loss allowance would be derecognised (and thus would no longer be recognised as an adjustment to the gross carrying amount) but instead would be recognised as an accumulated impairment amount (of an equal amount) in other comprehensive income and would be disclosed from the reclassification date.

Impairments of financial assets

The Group's impairment approach, is based on expected credit losses and the Group uses the general approach in determining the impairment of financial assets. Therefore, it is not necessary for a loss event to have occurred before credit losses are recognised; instead, a loss allowance is always recognised for expected credit losses and is re-measured at each reporting date for changes in those expected credit losses. The only exception is for purchased or credit-impaired financial assets where a different impairment approach applies. Determining whether an expected credit loss should be based on 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in credit risk of the financial asset since initial recognition.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

2. Material accounting policies (Continued)

(j)Financial instruments (Continued)

Impairments of financial assets (Continued)

The Group recognises loss allowances for Expected Credit Losses (ECL) on the following financial instruments that are not measured at FVPL:

- Financial assets that are debt instruments;
- Lease receivables;
- Loan and advances to customers
- Other Loans and receivables
- Financial guarantee contracts issued; and
- Loan commitments issued.

No impairment loss is recognised on equity investments.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- Debt investment securities that are determined to have low credit risk at the reporting date; and other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition
- Loss allowances for lease and other receivables are always measured at an amount equal to lifetime ECL.

The Group considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'. In the case of the Group, debt instruments of AAA, AA, A and BBB grade qualify as low credit risk. 12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

Stage 1:	Assets that are performing. If credit risk is low as of the reporting date or the credit risk has not increased significantly since initial recognition, the Group recognise a loss allowance at an amount equal to 12-month expected credit losses. This amount of credit losses is intended to represent lifetime expected credit losses that will result if a default occurs in the 12 months after the reporting date, weighted by the probability of that default occurring.
Stage 2:	Assets that have significant increases in credit risk. In instances where credit risk has increased significantly since initial recognition, the Group measures a loss allowance at an amount equal to full lifetime expected credit losses. That is, the expected credit losses that result from all possible default events over the life of the financial instrument. For these debt instruments, interest income recognition will be based on the Effective Interest Rate (EIR) multiplied by the gross carrying amount.
Stage 3:	Credit impaired. For debt instruments that have both a significant increase in credit risk plus observable evidence of impairment.

The Group's policy for classification of financial assets into stages 1, 2 and 3 are shown below;

Stage	Description	Criteria (Quantitative)	Criteria (Qualitative)	Criteria (Others)
Stage 1: Performing	12-Month ECL	i. Interest and principal repayment up to date. ii. Repayment of principal and interest is less than 30 days past due on loans and advances. iii. Significantly positive loan to value and solvency ratio.	i. If credit risk is low as of the reporting date or the credit risk has not increased significantly since initial recognition.	

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

2. Material accounting policies (Continued)

(j)Financial instruments (Continued)

Measurement of ECL (Continued)

Stage	Description	Criteria (Quantitative)	Criteria (Qualitative)	Criteria (Others)
Stage 2: (Watch Lists)	Lifetime ECL – Loans that have witnessed significant increase in credit risk	i. Repayment of principal and interest is past due for more than 30 days, but less than 90 days. ii. Consistent drop in turnover figures for 2 months. iii. Drop in ratings (internal or external) by 2 notches. iv. Significant decline in the value of the collateral, third party guarantees or credit enhancements. v. Significant changes in internal price, external market indicators (e.g. credit default swaps prices for the borrower), rates or terms of existing financial instrument, credit and affordability scores. vi. Decrease in estimated future cash flows of the instrument/ cash flow difficulty of the customer.	i. Negative/Bad report from Credit Risk Management System (CRMS) and Credit Bureaus. ii. Failure to submit Audited Financial Statement more than a year after the reporting date. iii. Report of management squabbles /trade union dispute /issues of unpaid salaries. iv. Adverse changes in business, financial and economic conditions. v. Breaches of covenant/contract. vi. Delay by customer in providing perfection documents. vii. Underperforming instruments.	i. Evidences of misapplication of loan proceeds by customer. ii. Litigations likely to have material impact. iii. Profit warnings.
Stage 3: Substandard Doubtful Loss	Lifetime ECL - default	i. Past due for more than 90 days. ii. Significant deterioration of loan to value ratio. iii. Significant financial difficulty of the customer. iv. Breaches in financial covenants.	i. Events such as adverse circumstances of the obligor such as: death, unemployment, bankruptcy. ii. Restructuring of the facility. Liquidation and rebooking of new loan. iii. Refusal by customer in providing perfection documents. iv. Credit-impaired /Non-performing instruments.	i. Evidences of misapplication of loan proceeds by customer. ii. Adverse changes in business, financial or economic conditions. iii. Macro-economic forward looking information.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that the Group's financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is becoming probable that the borrower will enter Group bankruptcy or other financial re-organization; or
- The disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered impaired.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

2. Material accounting policies (Continued)

(j) Financial instruments (Continued)

Credit-impaired financial assets (Continued)

- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Loss allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortised cost and loan commitments and financial guarantee contracts: as a deduction from the gross carrying amount of the assets;
- Where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component; and
- Debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

General approach to collective or individual assessment

The Group's measurement of expected credit losses is based on the weighted average credit loss. As a result, the measurement of the loss allowance should be the same regardless of whether it is measured on an individual basis or a collective basis although measurement on a collective basis is accepted by the Group if more practical for large portfolios of items.

When it comes to the assessment of whether there has been a significant increase in credit risk it may be necessary to perform the assessment of significant increases in credit risk on a collective basis. Where the Group is not able to identify significant changes in credit risk on individual financial instruments before the financial instrument becomes past due (e.g. there may be little or no information for an individual retail loan until a customer fails to pay), the Group assesses significant increase in credit risk on a collective basis. This is because loss allowance based only on credit information at an individual financial instrument level would not faithfully represent the changes in credit risk since initial recognition.

When assessing for significant increases in credit risk and recognizing a loss allowance on a collective basis, financial instruments are Grouped on the basis of shared credit risk characteristics to enable significant increases in credit risk to be identified on a timely basis. The Group uses the following for segmentation based on shared credit risk characteristics:

- Product type;
- Industry;
- Economic sectors

Collateral

The Group obtains collateral where appropriate, from customers to manage their credit risk exposure to the customer. The collateral normally takes the form of a lien over the customer's assets and gives the Group a claim on these assets for both existing and future customer in the event that the customer defaults.

The Group may also use other credit instruments, such as stock borrowing contracts, and derivative contracts in order to reduce their credit risk.

Collateral received in the form of securities is not recorded on the statement of financial position. Collateral received in the form of cash is recorded on the statement of financial position with a corresponding liability. These items are assigned to deposits received from Group or other counterparties.

Financial liabilities and equity

- A financial liability is any liability that is a contractual obligation:
 - to deliver cash or another financial asset to another entity (e.g. a payable); or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group (e.g. a financial option written by 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 (e.g. an instrument that is redeemable in own shares to the value of the carrying amount of the instrument); 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 (e.g. a net-share settled written call over own shares). For this purpose, rights, options or warrants to acquire a fixed number of the Group's own equity instruments for a fixed amount of any currency are equity instruments if the Group offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. Also for these purposes, the Group's own equity instruments do not include puttable financial instruments that are classified as equity instruments, the instruments that impose on the Group an obligation to deliver to another party a pro rata share of the net assets of the Group only on liquidation and are classified as equity instruments in accordance with, or instruments that are contracts for the future receipt or delivery of the Group's own equity instruments.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

2. Material accounting policies (Continued)

(j) Financial instruments (Continued)

Financial liabilities and equity (Continued)

- The Group's equity instrument is any contract that represents a residual interest in the assets of the Group after deducting all of its liabilities.
- The Group classifies all financial liabilities at amortised cost with the exception of derivative liabilities which are FVPL or where fair value option is elected provided specific criteria are met. Where the Group measures any financial liability at FVPL, fair value gains or losses related to credit risk are presented separately in other comprehensive income while all other fair value gains or losses are presented in profit or loss.

Contractual obligation to deliver cash or another financial asset

The key feature in determining whether a financial instrument of the Group is a liability is the existence of a contractual obligation of one party (the issuer) to deliver cash or another financial asset to another party (the holder), or to exchange financial assets or liabilities under conditions that are potentially unfavorable. In contrast, in the case of an equity instrument (e.g. ordinary shares) the right to receive cash in the form of dividends or other distributions is at the issuer's discretion and, therefore, there is no obligation to deliver cash or another financial asset to the holder of the instrument. There is an exception to this rule for certain puttable instruments and instruments with an obligation to deliver a pro rata share of net assets only at liquidation.

Items such as deferred revenue and warranty obligations require delivery of goods or services rather than an obligation to deliver cash or another financial asset and, therefore, are not financial liabilities.

Classification of financial liabilities

All financial liabilities of the Group are classified and subsequently measured at amortised cost using the effective interest rate method except for:

- financial liabilities at fair value through profit or loss (FVPL);
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach;
- financial guarantee contracts not designated as at FVPL that are not accounted for under IFRS 4- Insurance Contracts; and
- Commitments to provide a loan at a below-market interest.

Dividends

Dividends of the Bank are recognised in profit or loss only when:

- the Bank's right to receive payment of the dividend is established;
- it is probable that the economic benefits associated with the dividend will flow to the Bank; and
- the amount of the dividend can be measured reliably.

However, if the dividend income clearly represents a recovery of part of the cost of investment, the dividend is not recognised in profit or loss.

Investment equity securities

Model adopted and the rationale

Investment in equity instruments are usually FVPL or elected to be designated at FVOCI at initial recognition.

Quoted equity

Whenever the Group has investment in quoted equities, these are usually measured at fair value each reporting date.

Other policies

Written loan commitment

For written loan commitments of the Group that are not measured at FVPL the impairment requirements form part of a 'higher of' test with regard to the measurement of the instrument. For example, loan commitments below-market interest rates are measured subsequent to initial recognition at the higher of:

- The amount of the loss allowance determined in accordance with IFRS 9 and
- The amount initially recognised less, when appropriate, cumulative amount of income recognised in accordance with the principles of IFRS 15- Revenue from Contracts with Customers.

Financial guarantee contracts

Similar to loan commitments, the impairment requirements are applicable to the subsequent measurement of all written financial guarantee contracts of the Group that are in the scope of IFRS 9 and that are not measured at FVPL. These are measured at the higher of:

- The amount of the loss allowance determined in accordance with IFRS 9 and
- The amount initially recognised less, when appropriate, cumulative amount of income recognised in accordance with the principles of IFRS 15- Revenue from Contracts with Customers.

Derivatives

Derivative instruments are contracts whose value is derived from one or more underlying financial instruments or indices defined in the contract. They include swaps, forward rate agreements, futures, options and combinations of these instruments and primarily affect the Bank's net interest income, foreign exchange income, and derivative assets and liabilities.

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

2. Material accounting policies (Continued)

(j) Financial instruments (Continued)

Derivatives (Continued)

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Modification of loans

(a) Modifications leading to derecognition

Where the renegotiation or modification of the contractual cash flows of a financial asset lead to the derecognition of the existing financial asset in accordance with IFRS 9 the modified asset is considered a 'new' financial asset for the purposes of IFRS 9. Accordingly, the date of the modification should be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. This typically means measuring the loss allowance at an amount equal to 12-month expected credit losses until the criteria for the recognition of lifetime expected credit losses is met.

However, in some unusual circumstances following a modification that results in derecognition of the original financial asset, there may be evidence that the modified financial asset is credit-impaired at initial recognition, and thus, the financial asset should be recognised as an originated credit-impaired financial asset. This might occur, for example, in a situation in which there was a substantial modification of a distressed asset that resulted in the derecognition of the original financial asset. In such a case, it may be possible for the modification to result in a new financial asset which is credit-impaired at initial recognition.

(b) Modifications not leading to derecognition

If the contractual cash flows on a financial asset have been renegotiated or modified and the financial asset is not derecognised, the Group assesses whether there has been a significant increase in the credit risk of the financial instrument by comparing:

- the risk of a default occurring at the reporting date (based on the modified contractual terms); and
- the risk of a default occurring at initial recognition (based on the original, unmodified contractual terms).

When assessing whether there has been significant increases in credit risk since initial recognition the Group uses all reasonable and supportable information that is available without undue cost or effort. This includes historical and forward-looking information and an assessment of the credit risk over the expected life of the financial asset, which includes information about the circumstances that led to the modification.

If the contractual cash flows on a financial asset have been renegotiated or otherwise modified, but the financial asset is not derecognised, that financial asset is not automatically considered to have lower credit risk. Evidence that the criteria for the recognition of lifetime expected credit losses are no longer met may include a history of up to date and timely payment performance against the modified contractual terms. Typically a customer would need to demonstrate consistently good payment behavior over a period of time before the credit risk is considered to have decreased. For example, a history of missed or incomplete payments would not typically be erased by simply making one payment on time following a modification of the contractual terms.

30 day rebuttable presumption

The Group assumes a rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. Consequently, when the Group determines that there have been significant increases in credit risk before contractual payments are more than 30 days past due, the rebuttable presumption does not apply.

90 day rebuttable presumption

The Group assumes a rebuttable presumption that a default does not occur later than when a financial asset is 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Cure definition under IFRS 9

The Group's definition of cure, is the extent to which financial assets return to a performing status from a non-performing status. Payment of amounts in arrears constitutes cure.

Deterioration definition

This is the rate at which modified loans that revert to 12 month expected losses on modification then subsequently move to lifetime expected credit losses.

Default definition under IFRS 9

The Group has established its own policy for what it considers a default, and applied a definition consistent with that used for internal credit risk management purposes for the relevant financial instrument. The Group considers qualitative indicators (e.g. financial covenants) when appropriate. The definition of default used for these purposes is applied consistently to all financial instruments unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial instrument. The default point is defined at 90 days.

Recognition of regular way purchases and sales of financial assets

Regular way purchase or/and sale of the Group's financial assets can be recognised (and derecognised) using either trade date or settlement date accounting. The method used is applied consistently for all purchases and sales of financial assets that belong to the same category.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

2. Material accounting policies (Continued)

(j) Financial instruments (Continued)

Recognition of regular way purchases and sales of financial assets (Continued)

When trade date accounting is applied, the Group recognises the financial asset to be received and the corresponding liability to pay for it at the trade date; on disposal, the financial asset is removed from the statement of financial position on the trade date.

When the settlement approach is applied, the asset is recognised on the date on which it is received by the Group; on disposal, the asset is not derecognised until the asset is delivered to the buyer. When the purchase of an asset is accounted for using settlement date accounting, between the trade date and settlement date, although the asset itself is not yet recognised, the Group accounts for changes in its fair value, applying the same measurement basis that will be used to account for the acquired asset once it is recognised; therefore, changes in fair value are recognised in profit or loss for assets classified or designated as at FVPL, in other comprehensive income (OCI) for assets designated as at fair value through other comprehensive income, and not recognised for assets measured at amortised cost.

The Group classifies financial instruments into classes that are appropriate to the nature of the information disclosed and that take into account the characteristics of those financial instruments. The classes reconcile to the line items presented in the statement of financial position.

The classes are determined by the Group and are distinct from the categories of financial instruments. The classes distinguish between those financial instruments that are measured at amortised cost and those that are measured at fair value. Amortised cost financial assets are the financial instrument category that comprise various classes such as term loans, overdraft, unsecured medium-term loans etc.

Categories of financial assets and financial liabilities

The Group discloses the carrying amount for each financial instrument category as defined by IFRS 9 either in the statement of financial position or in the notes to the financial statements. The carrying amounts of each of the following categories are disclosed:

- a. financial assets measured at fair value through profit or loss, showing separately
 - i. those designated as such upon initial recognition or where a credit exposure is subsequently measured at FVPL and
 - ii. those mandatorily measured at fair value in accordance with IFRS 9
- b. financial liabilities at fair value through profit or loss, showing separately
 - a. those designated as such upon initial recognition or where a credit exposure is subsequently measured at FVPL and
 - b. those that meet the definition of held for trading in IFRS 9;
- c. financial assets measured at amortised cost;
- d. financial liabilities measured at amortised cost; and
- e. financial assets measured at fair value through other comprehensive income, showing separately:
 - i. financial assets that are measured at fair value through other comprehensive income in accordance with (e.g. debt instruments that are held within a business model that is collecting contractual cash flows and selling financial assets); and
 - ii. investments in equity instruments designated as such upon initial recognition.

Financial assets at FVPL

If the Group designates certain debt instruments (or a Group of debt instruments) as at fair value through profit or loss (FVPL), it provides extensive disclosures.

The Group discloses the following information for financial assets (or Groups of financial assets) that have been designated as measured at fair value through profit or loss:

- the maximum exposure to credit risk of the financial asset (or Group of financial assets) designated as at fair value through profit or loss, or Group of financial assets, at the end of the reporting period;
- the amount by which any related credit derivatives or similar instruments mitigate that maximum exposure to credit risk;
- the amount of change, during the period and cumulatively, in the fair value of the financial asset (or Group of financial assets), that is attributable to changes in the credit risk of the financial asset determined either:
 - i. as the amount of change in its fair value that is not attributable to changes in market conditions that give rise to market risk; or
 - ii. using an alternative method the Group believes more faithfully represents the amount of change in its fair value that is attributable to changes in the credit risk of the asset.
- changes in market conditions that give rise to market risk include changes in an observed (benchmark) interest rate, commodity price, foreign exchange rate or index of prices or rates; and
- the amount of the change in the fair value of any related credit derivatives or similar instruments that has occurred during the period and cumulatively since the financial asset was designated.

In addition, the Group discloses:

- a. the methods used to comply with the requirements in (c) above; and
- b. if the Group believes that the disclosure it has given to comply with the requirements in (c) above does not faithfully represent the change in the fair value of the financial asset attributable to changes in its credit risk, the reasons for reaching this conclusion and the factors it believes are relevant.

Write off

The Group writes off a loan and advance balance (and any related allowance for impairment losses) when Group credit determines that there is no realistic prospect of recovery. This is reached after considering information such as a significant change in the borrower/issuers financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay the bank the entire exposure. The Group shall seek to recover amounts it is legally owed in full but which have been partially written off due to no reasonable expectation of full recovery.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

2. Material accounting policies (Continued)

(k) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

This policy is applied to contracts existent (or changed) on or after 1 January 2019.

(i) Group acting as a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates consideration in the contract to each lease component on the basis of its relative standalone price. However, for leases of branches and office premises the Group has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove 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, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the 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 has disclosed the lease liability and right-of-use assets separately in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including leases of equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) Group acting as a lessor

The Group leases out some of its premises. At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone selling prices. When the Group acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(l) Sale and repurchase agreements

Reverse repurchase agreements (and stock borrowing or similar transactions) are a form of secured lending whereby the Group provides a loan or cash collateral in exchange for the transfer of collateral, generally in the form of marketable securities subject to an agreement to transfer the securities back at a fixed price in the future. Repurchase agreements are where the Group obtains such loans or cash collateral, in exchange for the transfer of collateral.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

2. Material accounting policies (Continued)

(l) Sale and repurchase agreements (Continued)

The Group purchases securities (under a reverse repurchase agreement) or borrows securities subject to a commitment to resell or return them. The securities are not included on the statement of financial position as the Group does not acquire the risks and rewards of ownership. Consideration paid (or cash collateral provided) is accounted for as a loan asset. The Group may also sell securities (under a repurchase agreement) or lend securities subject to a commitment to repurchase or redeem them. The securities are retained on the statement of financial position since the Group retains substantially all the risks and rewards of ownership. Consideration received (or cash collateral provided) is accounted for as a financial liability.

Securities sold subject to repurchase agreement (reverse repos) are classified in the financial statements as pledged assets when the transferee has a right by contract to resell the collateral: the counter liability is included in amounts due to other banks, deposits from banks or balances due to Central Bank as appropriate.

(m) Statutory loan loss reserve

Where impairment losses required by the regulators exceed those computed under IFRS Accounting Standards, the excess is recognised as a statutory loan loss reserve and is accounted for as an appropriation of retained earnings. The statutory loan loss reserve is not distributable.

(n) Assets held for sale

Non-current assets, or disposal Groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property and equipment are no longer amortised or depreciated.

(o) Income tax expense

Current income tax is the amount of income tax payable on the profit for the year determined in accordance with the Kenyan Income Tax Act and in accordance with the tax legislation for the respective subsidiaries. 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.

Deferred tax is recognised, 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, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are only offset when there is both a legal right to set-off and an intention to settle on a net basis.

(p) Share capital and premium

Ordinary shares are classified as equity. 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.

(q) Earnings per share

Basic and diluted earnings per share (EPS) data for ordinary shares are presented in the financial statements. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

(r) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with maturities of three months or less from the date of acquisition, including: cash and balances with the Central Banks and amounts due from other banks. Cash and cash equivalents are carried at amortised cost on the statement of financial position.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

2. Material accounting policies (Continued)

(s) Employee benefits

(i) Defined contribution plan

The Group operates a defined contribution retirement scheme, the assets of which are held in a separate trustee-administered fund. The Group's contributions to the defined contribution scheme are charged to the statement of profit or loss in the year to which they relate. The Group has no further payment obligation once the contributions have been paid. The Group and all its employees also contribute to the National Social Security Fund, operating in the respective countries, which is a defined contribution scheme.

(ii) Other short term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(t) Proposed dividends

Dividends on ordinary shares are charged to equity in the period in which they are declared. Proposed dividends are shown as a separate component of equity until approved by the shareholders at the Annual General Meeting.

(u) Acceptances, guarantees and letters of credit

Acceptances, guarantees and letters of credit are accounted for as off-balance sheet transactions and disclosed as contingent liabilities.

(v) Related party transactions

The Group discloses the nature, volume and amounts outstanding at the end of each financial year from transactions with related parties, which include transactions with the directors, executive officers and Group or related companies. All transactions with related parties are at commercial terms in the normal course of business, and on terms and conditions similar to those applicable to other customers.

(w) Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing products or services within a particular economic environment which is subject to risks and rewards that are different from those of other segments (Geographic segments). Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker is the person or Group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Board of Directors as its chief operating decision-maker. All transactions between business segments are conducted on commercial terms basis with intra-segment revenue and costs being eliminated at Group level.

(x) Restatement of statements profit and loss and the cashflow

i) Discontinued operations

The comparative information in the statements of profit and loss and the cashflow has been represented due to a discontinued operation (Note 11).

ii) Statement of cashflows for the year ended 31 December 2025

Cash and cash equivalents

The Group previously excluded the restricted portion of its cash held with Central banks under the cash reserve requirement (CRR) from cash and cash equivalents. Following the guidance issued by the Institute of Certified Public Accountants of Kenya (ICPAK) in January 2026 which confirmed that restricted balances have always met the definition of cash, the CRR is now disclosed under cash and cash equivalents with the related restriction disclosed. Consequently, the Group and Bank have also restated the cashflows from/used in operating activities. This error did not have an impact on the Statement of profit or loss and other comprehensive income, Statement of financial position and Statement of changes in equity and related notes.

	Group			Bank		
	As previously stated	Adjustment	As restated	As previously stated	Adjustment	As restated
	Sh'000		Sh'000	Sh'000		Sh'000
Cash used in operating activities	17,005,070	2,771,066	19,776,136	12,483,272	(3,029,399)	9,453,873
Cash and cash equivalents at beginning of year	43,270,118	17,964,795	61,234,913	13,352,421	12,389,710	25,742,131
Cash and cash equivalents at end of year	38,918,755	20,735,861	59,654,616	6,957,606	9,360,311	16,317,917

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

3. Critical accounting estimates and judgements in applying accounting policies

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements includes the following;

- **Note 2 (j) and 4 (a):** Classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.
- **Note 2 (j) and 4 (a):** Impairment of financial assets classified as amortised cost and FVOCI: The most significant judgements relate to defining what is considered to be a significant increase in credit risk, determining lifetime expected credit losses and in making assumptions and estimates to incorporate relevant information about past events, current conditions and forecasts of economic conditions. A high degree of uncertainty is involved in making assumptions that are highly subjective and sensitive to risk factors.
- **Note 2(j):** Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of ECL and selection and approval of models used to measure ECL.
- **Note 2 (b):** Determination of control over investees.

(b) Assumptions and estimation uncertainties

(i) Income taxes

Significant estimates are required in determining the provision for income taxes for instance recognition of deferred tax assets on losses and availability of future profit against which deductible temporary differences and tax losses carried forward can be utilised. There are many transactions and calculations for which the ultimate tax determination or tax treatment is uncertain during the ordinary course of business. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Disclosures relating to income taxes have been made in note 10 and 25.

(ii) Determination of Significant Increase in Credit Risk (SICR)

The Bank assesses SICR by incorporating all relevant, reasonable and supportable information, including forward-looking information. These include qualitative information, non-statistical quantitative information and information from statistical models or credit rating processes. The setting of precise trigger points to move a financial asset from 'Stage 1' to 'Stage 2' and viceversa requires judgement which may have a material impact upon the size of the ECL allowance. The Group monitors the effectiveness of SICR criteria on an ongoing basis. Disclosures relating to SICR have been made in note 2(j) and 4(a).

4. Financial risk management

Introduction

Effective risk management is fundamental to the business activities of the Group. Whilst we remain committed to the objective of increasing shareholder value by developing and growing our business in a way that is consistent with our board-determined risk appetite, we are also cognisant of the need to balance this objective with the interests of depositors, debt holders and our regulators. We seek to achieve an appropriate balance between risk and reward in our business, and continue to build and enhance the risk management capabilities that assist in delivering our growth plans in a controlled environment. Risk management is at the core of the operating structures of the Group. The Group seeks to limit adverse variations in earnings and equity by managing the risk exposures and capital within agreed levels of risk appetite.

Managing and controlling risks, minimising undue concentrations of exposure and limiting potential losses from stress events are all essential elements of the Group's risk management and control framework. The risks are managed through a framework, organisational structure, risk management and monitoring processes that are closely aligned with the activities of the Group and in line with the guidelines given by the Central Bank of Kenya (CBK) or the regulators under which it is operating in other countries.

The Group defines risk as an event or events of uncertainty which can be caused by internal or external factors resulting in the possibility of losses (downside risk). However, the Group appreciates that some risk events may result into opportunities (upside risk) and should therefore be actively sought and enhanced.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

The Group operates in an environment of numerous risks as shown below that may cause financial and non-financial results to differ significantly from anticipated objectives. The Group has an enterprise-wide approach to the identification, measurement, monitoring and management of risks faced across the organisation. These risks are classified as follows;

- Credit risk
- Liquidity risk
- Market risks that fall within:
 - Interest rate risk
 - Price risk
 - Foreign exchange risk

The main pillars of the Group's risk management framework are set out below:

a) Active Board and Senior Management Oversight

The Board and the Senior management bear the responsibility of implementing strategies in a manner that limits risks associated with each strategy. Management is therefore fully involved in the activities of the bank and possess sufficient knowledge of all major business lines to ensure that appropriate policies, procedures, controls and risk monitoring systems are in place and that accountability and lines of authority are clearly delineated.

b) Adequate Policies, Procedures and Limits

The Group's policies, procedures and limits provide for adequate and timely identification, measurement, monitoring, control and mitigation of the risks posed by its lending, investing, trading, off balance sheet and other significant activities at the business/functional line and bank-wide levels. These clearly delineate accountability and lines of authority across the Bank's various business activities, and ensure there is a clear segregation between business/ functional lines and the risk function as well as escalate and address breaches of limits.

c) Adequate Risk Monitoring and Management Information Systems (MIS)

The Group maintains an effective MIS system that facilitates the Bank's risk monitoring practices and avails risk reports that address all of its material risks for both management and board purposes.

d) Internal Controls

The Group maintains a system of internal controls consistent to the type and level of risks posed by the nature and scope of its business activities. This also includes clearly delineated lines of authority and responsibility for monitoring adherence to policies, procedures, and limits.

Risk management principles

The following key principles form part of our approach to risk management.

- The Board of directors provides overall risk & capital management supervision of the bank. The Board, through its comprehensive sub-committee structure, oversees risk management, reviews and approves enterprise- wide risk policies and procedures and sets tolerance limits wherever required. The procedures describe the facility types, aggregate facility exposures and conditions under which the Group is prepared to do business.
- The risk management function is independent of the Group's business and operating units. This function, which is headed by the Head of Risk, manages Credit, Market, Reputational, Strategic and Regulatory risks on an integrated basis.
- Various committees at functional levels oversee the implementation of risk management policies and procedures. These committees are closely aligned with the structure of the Group's business and operating units.
- Market and liquidity risks are overseen by the Board Risk Management Committee (BRMC) and managed by a well-represented Asset and Liabilities Committee (ALCO). The members of ALCO are the Chief Executive Officer and the Heads of Risk, Treasury, Finance and business units.
- The Risk function is independent of the Group's business and operating units, reporting to the Board Risk Management Committee on a quarterly basis. The function, on a pro-active basis, identifies and assesses the operational risks associated with the Group's business. It helps management accomplish its objectives by addressing the current and prospective risk to earnings or capital arising from violations or on non-conformance with laws, rules, regulations, prescribed practice or ethical standards issued by the Board and the regulator from time to time.
- The Credit and Operational Risk Management committees are responsible for defining and implementation of their respective policies and procedures. The work of these two management committees is overseen by the Board Credit Committee and Board Risk Management Committee respectively.
- Independent review of the effectiveness of the overall risk framework is undertaken by the internal audit function which reports directly to the Board Audit & Compliance Committee. The Internal audit department independently monitors the effectiveness of the risk management programs and internal controls through periodic testing of the design and operations of processes related to identification, measurement or assessment, monitoring, controlling and reporting of risks.
- External audit has a statutory duty to report its independent opinion on the Group's financial statements to shareholders and acts as a third line of defence.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(a) Credit risk management

Credit risk is the risk of loss due to the failure of a borrower to meet its credit obligations in accordance with agreed contract terms. It arises principally from, but is not limited to, commercial loans and advances, commitments from forward foreign exchange contracts, financial guarantees, letters of credit and acceptances, investments in debt securities and other exposures arising from trading and settlement activities with market counterparties.

Credit risk makes up the largest part of the Group's risk exposures. The Group's credit process is governed by centrally established credit policies and procedures, rules and guidelines with an aim to maintain a well-diversified credit portfolio.

Credit risk policies and procedures are reviewed by the management and are approved by the Board. The Group has a system of checks and balances in place around the extension of credit that comprise of:

- An independent credit risk management function;
- Multiple credit approvers; and
- Independent audit, risk review and compliance functions.

The Group's Credit Policy reflects the Groups' tolerance for risk i.e. credit risk appetite. This, as a minimum, reflects the Groups' strategy to grant credit based on various products, economic sectors, client segments, target markets giving due consideration to risks specific to each target market.

Salient features of the Group's risk approval process include:

- Every extension of credit to any counterparty requires approval by various pre-defined levels of approving authorities as defined in the Credit Policy manual.
- All business units must apply consistent standards in arriving at their credit decisions.
- Every material change to a credit facility requires approval at the appropriate/pre-defined level.

The disbursement of credit facilities at each Group's bank is managed by a centralised Credit Administration Department (CAD), reporting to the respective Credit Management function. CAD is also responsible for collateral/documents management including safe-keeping.

The Group monitors its credit portfolio on a continuing basis. Procedures are in place to identify, at an early stage, credit exposures for which there may be a risk of loss. The objective of an early warning system is to address potential problems while various options may still be available. Early detection of problem loans is a tenet of our credit culture and is intended to ensure that greater attention is paid to such exposure. The Bank has an established Debt Recovery Unit to focus on expediting recoveries of problem credits. The Unit negotiates with problem borrowers and recommends restructuring and rescheduling of stuck up loans to the Management, the Board Credit Committee and the full Board. For cases where the possibilities of economically viable means of recovery are exhausted, legal proceedings are initiated.

Significant increase in credit risk

As explained in note 2 under the policies, the Group monitors all financial assets that are subject to 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 applies qualitative and quantitative criteria for stage classification and for its forward and backward migration. Significant increase in credit risk may include indications of a financial asset experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due unless the Group has reasonable and supportable information that demonstrates otherwise. As a backstop, the Group considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower. The Group has monitoring procedures in place to make sure that the criteria used to identify significant increases in credit are effective, meaning that significant increase in credit risk is identified before the exposure is defaulted or when the asset becomes 30 days past due.

Definition of default

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held);
- The borrower is more than 90 days past due on any material credit obligation to the Group;
- Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding; or
- It is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(a) Credit risk management (Continued)

In assessing whether a borrower is in default, the Group considers indicators that are:

- Qualitative: e.g. Breaches of covenant;
- Quantitative: e.g. Overdue status and non-payment on another obligation of the same issuer to the Group; and based on data developed internally and obtained from external sources. Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Incorporation of forward-looking information

The Group uses forward-looking information that is available without undue cost or effort in its assessment of significant increase of credit risk as well as in its measurement of expected credit loss (ECL). The Group sources macroeconomic information from a reputable data vendor that sources and forecasts using information from World Bank, International Monetary Fund (IMF), Economist Intelligence Unit (EIU), Central Bank of Kenya (CBK), Kenya National Bureau of Statistics (KNBS) among others. These sources have invested in statistical modelling tools and procedures that over the years has made them reputable and reliable. The base case scenario is the single most-likely outcome. The table below summarises the principal macroeconomic indicators included in the economic scenarios used at 31 December 2025 for the years 2026 to 2030, for Kenya which is the country where the parent operates and therefore is the country that has a material impact in ECLs. The variables disclosed are those that meet the threshold for collinearity and correlation and differ year on year.

Macroeconomics variables	2026	2027	2028	2029	2030
Money supply- M1 _LCU_chg_yoy					
Base case	0.102	0.109	0.109	0.111	0.111
Best case	0.109	0.117	0.117	0.119	0.119
Worst case	0.094	0.101	0.102	0.103	0.103
Imports_of_goods_and_services_per_capita_LCU_chg_yoy					
Base case	0.056	0.066	0.063	0.056	0.056
Best case	0.058	0.068	0.066	0.058	0.058
Worst case	0.054	0.064	0.061	0.054	0.054
Total_expenditure_USD_chg_yoy					
Base case	0.102	0.074	0.078	0.099	0.071
Best case	0.112	0.081	0.086	0.108	0.078
Worst case	0.092	0.067	0.071	0.089	0.065
Nominal_GDP_USD_chg_yoy					
Base case	0.095	0.092	0.088	0.089	0.089
Best case	0.101	0.098	0.093	0.095	0.095
Worst case	0.089	0.087	0.082	0.083	0.083
Nominal_GDP_per_capita_USD_chg_yoy					
Base case	0.075	0.072	0.068	0.069	0.070
Best case	0.079	0.077	0.072	0.073	0.074
Worst case	0.070	0.068	0.064	0.065	0.066
Savings_LCU_chg_yoy					
Base case	0.102	0.116	0.138	0.144	0.145
Best case	0.093	0.106	0.126	0.131	0.132
Worst case	0.111	0.127	0.151	0.157	0.157
Goods_imports_USD_chg_yoy					
Base case	0.070	0.070	0.060	0.050	0.050
Best case	0.078	0.078	0.067	0.056	0.056
Worst case	0.062	0.062	0.053	0.044	0.044
Balance_of_goods_and_services_USD_chg_yoy					
Base case	0.109	0.094	0.014	(0.008)	(0.021)
Best case	0.099	0.086	0.013	(0.008)	(0.020)
Worst case	0.118	0.103	0.016	(0.009)	(0.023)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(a) Credit risk management (Continued)

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 10 years.

Probability weightings

Probability weighting of each scenario is determined by management considering the risks and uncertainties surrounding the base case economic scenario.

	2025	2024
Base case	40%	40%
Best case	20%	20%
Worst case	40%	40%

ECL - Sensitivity analysis

Given current economic uncertainties (exchange rate fluctuations, rising inflation and public debt) and the judgment applied to factors used in determining the expected default of borrowers in future periods, expected credit losses reported by the Group should be considered as a best estimate within a range of possible estimates.

The table below illustrates the sensitivity of collectively assessed ECL as at 31 December 2025:

Macroeconomics variables	ECL	Impact
	Shs'000	Shs'000
100% upside scenario	23,663,326	364,391
100% base scenario	23,957,565	70,152
100% downside scenario	24,282,072	(254,355)

Modified financial assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer.

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:

- Its remaining lifetime probability of default (PD) at the reporting date based on the modified terms; with
- The remaining lifetime probability of default (PD) estimated based on data on initial recognition and the original contractual terms.

When modification results in derecognition, a new loan is recognised and allocated to Stage 1 (assuming it is not credit-impaired at that time). The Group renegotiates loans to customers in financial difficulties (referred to as 'forbearance activities') to maximise collection opportunities and minimise the risk of default. Under the Group's forbearance policy, loan forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms. The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both retail and corporate loans are subject to the forbearance policy.

The Group Credit Committee regularly reviews reports on forbearance activities. For financial assets modified as part of the Group's forbearance policy, the estimate of PD reflects whether the modification has improved or restored the Group's ability to collect interest and principal and the Group's previous experience of similar forbearance action. As part of this process, the Group evaluates the borrower's payment performance against the modified contractual terms and considers various behavioural indicators. Generally, forbearance is a qualitative indicator of a significant increase in credit risk and an expectation of forbearance may constitute evidence that an exposure is credit-impaired (see Note 2). A customer needs to demonstrate consistently good payment behaviour over a period of time before the exposure is no longer considered to be credit-impaired/in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to Stage 1.

Measurement of ECL

The key inputs used for measuring ECL are:

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

As explained above 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(a) Credit risk management (Continued)

Measurement of ECL (Continued)

PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. PD parameter is calculated for each non-defaulted risk Group within given risk portfolio. For each risk portfolio separate migration matrix is constructed. The method of PD parameter estimation was based on the migrations of principal balance.

Calculation of transition matrices under transaction approach will be applied to different segments such as trade, manufacturing, tourism, real estate etc. The transaction approach is applied in order to reflect the significant differences in respect of risk profile between particular segments. Therefore, risk parameters are calculated for each risk portfolio (segment) separately.

Under this method, migrations are weighted with principal and thus the quarterly migration matrix presents the probabilities that 1 unit of exposure (e.g. 1 Shs) will migrate to defined statuses over a month or year within a given risk portfolio.

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

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, 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.

The Group measures ECL considering the risk of default over the maximum contractual period (including extension options) over which the entity is exposed to credit risk and not a longer period, even if contract extension or renewal is common business practice. However, for financial instruments such as credit cards, revolving credit facilities and overdraft facilities that include both a loan and an undrawn commitment component, the Group's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Group's exposure to credit losses to the contractual notice period.

Credit Quality analysis of Government securities and cash and cash equivalents

- Government securities are considered stage 1 as they are local currency instruments with the Governments of Kenya, Tanzania and Uganda. The Group has not experienced any historical defaults with the counterparties.
- Cash and cash equivalents comprise balances held with the Central Bank of Kenya and commercial banks. The Central Bank of Kenya is a wholly owned government institution that regulates all commercial banks and has a strong reputation with no history of default. The commercial banks maintain strong external credit ratings and are subject to continuous, rigorous internal credit risk assessments. Accordingly, these instruments are considered to be of low credit risk, and the resultant expected credit loss (ECL) is assessed to be minimal.

Loan modifications

The Group has granted flexible but reasonable modification terms to support its clientele who may have cashflow constraints. The terms on modifications includes; temporary deferral of principal and interest repayments, replacing principal and interest with interest only repayments, and extension of loan maturity dates. Taking cognisance of the impact, the Group has duly computed and recognised the gain/losses arising from these modifications as per the dictates of IFRS 9 standards.

The impact on financial statements is summarised below:

	Group		Bank	
	2025	2024	2025	2024
	Shs '000	Shs '000	Shs '000	Shs '000
Gain/(loss) on modification of loans	(19,614)	(99,572)	(10,075)	17,225

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(a) Credit risk management (Continued)

Amounts arising from ECL

The following tables show reconciliations from the opening to the closing balance of the gross carrying amount and the loss allowance by class of financial instruments.

Group On Balance Sheet				
Loans and advances to customers at amortised cost	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	Shs '000	Shs '000	Shs '000	Shs '000
Gross carrying amount as at 31 December 2024 and as at 1 January 2025	196,660,443	71,066,992	37,689,128	305,416,563
Deconsolidation upon disposal of Burundi subsidiary	(2,173,241)	(688,572)	(12,074)	(2,873,887)
Changes in the gross carrying amount				
• Transfer to stage 1	(5,052,527)	4,932,876	119,651	-
• Transfer to stage 2	(1,411,302)	1,110,078	301,224	-
• Transfer to stage 3	(35,573)	347,503	(311,930)	-
New financial assets originated or purchased	94,014,507	20,875,233	-	114,889,740
Financial assets that have been derecognised	(14,603,596)	(9,291,817)	(1,970,772)	(25,866,185)
Write-offs	-	-	(4,094,333)	(4,094,333)
Foreign exchange and other movements	(30,790,488)	(13,083,943)	5,960,722	(37,913,709)
Gross carrying amount as at 31 December 2025	236,608,223	75,268,350	37,681,616	349,558,189
Loss allowance as at 31 December 2025	1,702,016	4,073,422	19,251,890	25,027,328
Net carrying Amount as at 31 December 2025	234,906,207	71,194,928	18,429,726	324,530,861

Group On Balance Sheet				
Other financial assets	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	Shs '000	Shs '000	Shs '000	Shs '000
Deposits and balances due from banks - atamortised cost:				
• Gross carrying amount	33,031,228	-	-	33,031,228
• ECL	(21,042)	-	-	(21,042)
Net carrying amount as at 31 December 2025	33,010,186	-	-	33,010,186
Government securities				
• Gross carrying amount	185,983,028	-	-	185,983,028
• ECL	(27,731)	-	-	(27,731)
Net carrying amount as at 31 December 2025	185,955,297	-	-	185,955,297
Corporate Bond				
• Gross carrying amount	914,840	-	-	914,840
• ECL	(3,262)	-	-	(3,262)
Net carrying amount as at 31 December 2025	911,578	-	-	911,578

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(a) Credit risk management (Continued)

Amounts arising from ECL (Continued)

Group On Balance Sheet				
Loans and advances to customers at amortised cost	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	Shs '000	Shs '000	Shs '000	Shs '000
Gross carrying amount as at 31 December 2024 and 1 January 2025	93,003,135	4,992,824	450,840	98,446,799
Changes in the gross carrying amount				
• Transfer to stage 1	(137,238)	137,238	-	-
• Transfer to stage 2	(889,075)	889,075	-	-
• Transfer to stage 3	(25,392)	-	25,392	-
New financial assets originated or purchased	63,903,665	36,711	5,293	63,945,669
Financial assets that have been derecognised	(65,096,939)	(1,003,639)	(549,162)	(66,649,740)
Foreign exchange and other movements	(26,575,579)	128,676	168,535	(26,278,368)
Gross carrying amount as at 31 December 2025	64,182,577	5,180,885	100,898	69,464,360
Loss allowance as at 31 December 2025	357,175	1,082	-	358,257
Net carrying Amount as at 31 December 2025	63,825,402	5,179,803	100,898	69,106,103

On balance sheet facilities				
Loss allowance – Loans and advances to customers at amortised cost	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	Shs '000	Shs '000	Shs '000	Shs '000
Loss allowance as at 1 January 2025	690,863	4,300,792	14,921,658	19,913,313
Changes in the loss allowance				
• – Transfer to stage 1	(91,370)	4,720	86,650	-
• – Transfer to stage 2	80,303	(9,344)	(70,959)	-
• – Transfer to stage 3	5,787	275,272	(281,059)	-
• – Write-offs	-	-	(4,094,333)	(4,094,333)
New financial assets originated or purchased	703,847	1,901,387	2,473,773	5,079,007
Financial assets that have been derecognised	(128,531)	(267,845)	608,962	212,586
Changes in models/risk parameters	(19,954)	(81,654)	(48,878)	(150,486)
Foreign exchange and other movements	461,071	(2,049,906)	5,656,076	4,067,241
Loss allowance as at 31 December 2025	1,702,016	4,073,422	19,251,890	25,027,328

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(a) Credit risk management (Continued)

Amounts arising from ECL (Continued)

Group Off balance Sheet Facilities				
Loss allowance – Loans and advances to customers at amortised cost	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
Loss allowance as at 1 January 2025	205,922	665	-	206,587
Changes in the loss allowance				
– Transfer to stage 1	(175)	175	-	-
– Transfer to stage 2	(57)	57	-	-
– Transfer to stage 3	-	-	-	-
– Write-offs	-	-	-	-
– Changes due to modifications that did not result in derecognition	-	-	-	-
New financial assets originated or purchased	1,682	3	-	1,685
Financial assets that have been derecognised	(58,594)	(1,019)	-	(59,613)
Changes in models/risk parameters	(17,999)	81	-	(17,918)
Foreign exchange and other movements	226,396	1,120	-	227,516
Loss allowance as at 31 December 2025	357,175	1,082	-	358,257
Total Loss Allowance	2,059,191	4,074,504	19,251,890	25,385,585

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(a) Credit risk management (Continued)

Amounts arising from ECL (Continued)

Group				
On balance sheet facilities				
Loans and advances to customers at amortised cost	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	Shs '000	Shs '000	Shs '000	
Gross carrying amount as at 31 December 2023 and as at 1 January 2024	203,294,564	84,141,454	43,131,500	330,567,518
Changes in the gross carrying amount				
– Transfer to stage 1	(2,430,660)	1,983,695	446,965	-
– Transfer to stage 2	(5,099,439)	4,562,880	536,559	-
– Transfer to stage 3	(284,424)	(9,629,140)	9,913,564	-
New financial assets originated or purchased	87,280,033	22,023,030	-	109,303,063
Financial assets that have been derecognised	(82,287,423)	(33,443,173)	(22,435,325)	(138,165,921)
Write-offs	-	-	(9,715,896)	(9,715,896)
Foreign exchange and other movements	(3,812,208)	1,428,246	15,811,761	13,427,799
Gross carrying amount as at 31 December 2024	196,660,443	71,066,992	37,689,128	305,416,563
Loss allowance as at 31 December 2024	690,863	4,300,792	14,921,658	19,913,313
Net carrying Amount as at 31 December 2024	195,969,580	66,766,200	22,767,470	285,503,250
Other financial assets				
Deposits and balances due from banks- at amortised cost:				
• Gross carrying amount	30,838,000	-	-	30,838,000
• ECL	(25,608)	-	-	(25,608)
Net carrying amount as at 31 December 2024	30,812,392	-	-	30,812,392
Government securities				
• Gross carrying amount	173,936,050	-	-	173,936,050
• ECL	(38,860)	-	-	(38,860)
Net carrying amount as at 31 December 2024	173,897,190	-	-	173,897,190
Group				
Off balance sheet	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	Shs'000	Shs'000	Shs'000	
Gross carrying amount as at 31 December 2023 and 1 January 2024	99,852,015	5,113,616	494,571	105,460,202
– Transfer to stage 1	119,068	(215,338)	96,270	-
– Transfer to stage 2	(1,665,341)	766,493	-	(898,848)
– Transfer to stage 3	(167,528)	-	167,528	-
New financial assets originated or purchased	64,950,083	71,869	282,474	65,304,426
Financial assets that have been derecognised	(70,662,061)	(575,153)	(4,938)	(71,242,152)
Foreign exchange and other movements	576,899	(168,663)	(585,065)	(176,829)
Gross carrying amount as at 31 December 2024	93,003,135	4,992,824	450,840	98,446,799
Loss allowance as at 31 December 2024	205,922	665	-	206,587
Net carrying Amount as at 31 December 2024	92,797,213	4,992,159	450,840	98,240,212

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(a) Credit risk management (Continued)

Amounts arising from ECL (Continued)

Group				
On balance sheet facilities				
Loss allowance – Loans and advances to customers at amortised cost	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	Shs '000	Shs '000	Shs '000	
Loss allowance as at 1 January 2024	822,944	3,476,394	17,572,592	21,871,930
Changes in the loss allowance				
– Transfer to stage 1	76,652	(81,341)	4,689	-
– Transfer to stage 2	(1,551)	(35,505)	37,056	-
– Transfer to stage 3	65,193	(475,568)	410,375	-
– Write-offs	-	-	(9,715,896)	(9,715,896)
New financial assets originated or purchased	575,244	1,722,727	3,703,805	6,001,776
Financial assets that have been derecognised	(127,624)	(232,453)	85,966	(274,111)
Changes in models/risk parameters	(15,643)	(77,095)	(19,853)	(112,591)
Foreign exchange and other movements	(704,352)	3,633	2,842,924	2,142,205
Loss allowance as at 31 December 2024	690,863	4,300,792	14,921,658	19,913,313
Off balance sheet facilities				
Loss allowance – Loans and advances to customers at amortised cost	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	Shs '000	Shs '000	Shs '000	
Loss allowance as at 1 January 2024	238,647	2,879	-	241,526
Changes in the loss allowance				
– Transfer to stage 1	38,054	(37,816)	-	238
– Transfer to stage 2	(14,036)	14,036	-	-
– Transfer to stage 3	-	-	-	-
– Write-offs	-	-	-	-
– Changes due to modifications that did not result in derecognition	-	-	-	-
New financial assets originated or purchased	125,616	(84)	-	125,532
Financial assets that have been derecognised	(562,727)	(272,786)	-	(835,513)
Changes in models/risk parameters	(17,191)	85	-	(17,106)
Foreign exchange and other movements	397,559	294,351	-	691,910
Loss allowance as at 31 December 2024	205,922	665	-	206,587
Total Loss Allowance	896,785	4,301,457	14,921,658	20,119,900

The following table sets out a reconciliation of changes in the net carrying amount of credit impaired loans and advances to customers.

Group		
	2025	2024
	Shs'000	Shs'000
Credit-impaired loans and advances to customers at 1 January	37,689,128	43,131,500
Classified as credit-impaired during the year	7,360,498	16,466,060
Transferred to not credit-impaired during the year	(982,686)	(379,410)
Net repayments	(2,039,086)	(4,550,958)
Disposals	(4,094,333)	(9,715,896)
Foreign exchange and other movements	(251,905)	(7,262,168)
Credit-impaired loans and advances to customers at 31 December	37,681,616	37,689,128

The contractual amount outstanding on financial assets that were written off during the year ended 31 December 2025 and that are still subject to enforcement activity is Shs 4.1 billion (2024-Shs. 9.7 billion).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(a) Credit risk management (Continued)

Amounts arising from ECL (Continued)

Bank				
On Balance Sheet	Stage 1	Stage 2	Stage 3	
Loans and advances to customers at amortised cost	12-month ECL	Lifetime ECL	Lifetime ECL	Total
	Shs '000	Shs '000	Shs '000	Shs '000
Gross carrying amount as at 31 December 2024 and 1 January 2025	128,798,940	51,224,383	33,712,650	213,735,973
Changes in the gross carrying amount				
– Transfer to stage 1	(2,106,446)	2,021,401	85,045	-
– Transfer to stage 2	23,750	(23,787)	37	-
– Transfer to stage 3	6,158	75,787	(81,945)	-
New financial assets originated or purchased	27,287,179	5,612,341	3,878,157	36,777,677
Financial assets that have been derecognised	(39,877)	(26,118)	(2,285)	(68,280)
Write-offs	-	-	(2,369,345)	(2,369,345)
Foreign exchange and other movements	2,102,490	(1,987,523)	2,222	117,189
Gross carrying amount as at 31 December 2025	156,072,194	56,896,484	35,224,536	248,193,214
Loss allowance as at 31 December 2025	1,599,687	2,167,998	18,043,050	21,810,735
Net carrying Amount as at 31 December 2025	154,472,507	54,728,486	17,181,486	226,382,479
Other financial assets				
Deposits and balances due from banks- at amortised cost:				
• Gross carrying amount	4,858,287	-	-	4,858,287
• ECL	(4,061)	-	-	(4,061)
Net carrying amount as at 31 December 2024	4,854,226	-	-	4,854,226
Government securities				
• Gross carrying amount	149,286,855	-	-	149,286,855
• ECL	(27,731)	-	-	(27,731)
Net carrying amount as at 31 December 2024	149,259,124	-	-	149,259,124

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(a) Credit risk management (Continued)

Amounts arising from ECL (Continued)

Bank	Stage 1	Stage 2	Stage 3	
Off balance sheet facilities	12-month ECL	Lifetime ECL	Lifetime ECL	Total
	Shs'000	Shs'000	Shs'000	Shs'000
Gross carrying amount as at 31 December 2024 and 1 January 2025	85,622,320	4,506,125	-	90,128,445
Changes in the gross carrying amount				
– Transfer to stage 1	(166,039)	166,039	-	-
– Transfer to stage 2	-	-	-	-
– Transfer to stage 3	-	-	-	-
New financial assets originated or purchased	54,394,440	-	-	54,394,440
Financial assets that have been derecognised	(53,112,197)	(5,819,287)	-	(58,931,484)
Write-offs	-	-	-	-
Foreign exchange and other movements	(28,817,143)	1,147,123	-	(27,670,020)
Gross carrying amount as at 31 December 2025	57,921,381	(0)	-	57,921,381
Loss allowance as at 31 December 2025	320,034	1	-	320,035
Net carrying Amount as at 31 December 2025	57,601,347	(1)	-	57,601,346

Bank				
On balance sheet facilities at amortised cost	Stage 1	Stage 2	Stage 3	
Loss allowance – Loans and advances to customers at amortised cost	12-month ECL	Lifetime ECL	Lifetime ECL	Total
	Shs '000	Shs '000	Shs '000	Shs '000
Loss allowance as at 1 January 2025	744,058	1,799,068	13,515,858	16,058,984
Changes in the loss allowance				
– Transfer to stage 1	(93,164)	8,119	85,045	-
– Transfer to stage 2	23,750	(23,787)	37	-
– Transfer to stage 3	6,158	75,787	(81,945)	-
– Write-offs	-	-	(2,369,345)	(2,369,345)
New financial assets originated or purchased	1,088	653,520	1,536,924	2,191,532
Financial assets that have been derecognised	(146,119)	(1,147,446)	(480,573)	(1,774,138)
Changes in models/risk parameters	(16,026)	(79,121)	(26,190)	(121,337)
Foreign exchange and other movements	1,079,942	881,858	5,863,239	7,825,039
Loss allowance as at 31 December 2025	1,599,687	2,167,998	18,043,050	21,810,735

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(a) Credit risk management (Continued)

Amounts arising from ECL (Continued)

Bank				
Off balance Sheet Facilities	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	Shs '000	Shs '000	Shs '000	
Loss allowance as at 1 January 2025	183,901	428	-	184,329
Changes in the loss allowance				
– Transfer to stage 1	(166)	166	-	-
– Transfer to stage 2	-	-	-	-
New financial assets originated or purchased	218	-	-	218
Financial assets that have been derecognised	(46,930)	(216)	-	(47,146)
Changes in models/risk parameters	(17,286)	84	-	(17,202)
Foreign exchange and other movements	200,297	(461)	-	199,836
Loss allowance as at 31 December 2025	320,034	1	-	320,035
Total Loss Allowance	1,919,721	2,167,999	18,043,050	22,130,770

Bank				
On Balance Sheet	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	Shs '000	Shs '000	Shs '000	
Loans and advances to customers at amortised cost				
Gross carrying amount as at 31 December 2023 and 1 January 2024	123,496,602	64,880,728	37,554,254	225,931,584
Changes in the gross carrying amount				
– Transfer to stage 1	2,505,185	(2,505,185)	-	-
– Transfer to stage 2	(4,088,685)	4,102,263	(13,578)	-
– Transfer to stage 3	(211,584)	(8,139,958)	8,351,542	-
New financial assets originated or purchased	60,446,025	17,645,216	8,357,326	86,448,567
Financial assets that have been derecognised	(57,848,830)	(19,026,942)	(19,898,000)	(96,773,772)
Write-offs	-	-	(7,630,304)	(7,630,304)
Foreign exchange and other movements	4,500,227	(5,731,739)	6,991,410	5,759,898
Gross carrying amount as at 31 December 2024	128,798,940	51,224,383	33,712,650	213,735,973
Loss allowance as at 31 December 2024	744,058	1,799,068	13,515,858	16,058,984
Net carrying Amount as at 31 December 2024	128,054,882	49,425,315	20,196,792	197,676,989

Deposits and balances due from banks- at amortised cost:				
• Gross carrying amount	12,451,824	-	-	12,451,824
• ECL	(5,250)	-	-	(5,250)
Net carrying amount as at 31 December 2024	12,446,574	-	-	12,446,574
Government securities				
• Gross carrying amount	126,805,821	-	-	126,805,821
• ECL	(38,860)	-	-	(38,860)
Net carrying amount as at 31 December 2024	126,766,961	-	-	126,766,961

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(a) Credit risk management (Continued)

Amounts arising from ECL (Continued)

Bank				
Off balance Sheet Facilities	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	Shs '000	Shs '000	Shs '000	
Gross carrying amount as at 31 December 2023 and 1 January 2024	90,053,856	5,215,007	-	95,268,863
Changes in the gross carrying amount				
– Transfer to stage 1	2,018,275	(2,018,275)	-	-
– Transfer to stage 2	(898,848)	-	-	(898,848)
– Transfer to stage 3	-	-	-	-
New financial assets originated or purchased	54,167,210	295,446	-	54,462,656
Financial assets that have been derecognised	(60,025,646)	106,530	-	(59,919,116)
Write-offs	-	-	-	-
Foreign exchange and other movements	307,473	907,417	-	1,214,890
Gross carrying amount as at 31 December 2024	85,622,320	4,506,125	-	90,128,445
Loss allowance as at 31 December 2024	183,901	428	-	184,329
Net carrying Amount as at 31 December 2024	85,438,419	4,505,697	-	89,944,116

Bank				
Off balance Sheet Facilities	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	Shs '000	Shs '000	Shs '000	
Loss allowance – Loans and advances to customers at amortised cost				
Loss allowance as at 1 January 2024	706,588	1,993,004	14,967,655	17,667,247
Changes in the loss allowance				
– Transfer to stage 1	131,221	(131,221)	-	-
– Transfer to stage 2	(49,902)	49,902	-	-
– Transfer to stage 3	(2,932)	(368,589)	371,521	-
– Write-offs	-	-	(7,630,304)	(7,630,304)
New financial assets originated or purchased	354,939	868,260	3,250,969	4,474,168
Financial assets that have been derecognised	(356,486)	(1,233,379)	(9,769,929)	(11,359,794)
Changes in models/risk parameters	(16,026)	(79,121)	(26,190)	(121,337)
Foreign exchange and other movements	(23,344)	700,212	12,352,136	13,029,004
Loss allowance as at 31 December 2024	744,058	1,799,068	13,515,858	16,058,984

Deposits and balances due from banks- at amortised cost:				
• Gross carrying amount	12,451,824	-	-	12,451,824
• ECL	(5,250)	-	-	(5,250)
Net carrying amount as at 31 December 2024	12,446,574	-	-	12,446,574
Government securities				
• Gross carrying amount	126,805,821	-	-	126,805,821
• ECL	(38,860)	-	-	(38,860)
Net carrying amount as at 31 December 2024	126,766,961	-	-	126,766,961

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(a) Credit risk management (Continued)

Amounts arising from ECL (Continued)

Bank				
Off balance Sheet Facilities	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
	Shs '000	Shs '000	Shs '000	Shs '000
Loss allowance as at 1 January 2024	185,099	4,566	-	189,665
Changes in the loss allowance				
– Transfer to stage 1	37,730	(37,730)	-	-
– Transfer to stage 2	(12,431)	12,431	-	-
– Transfer to stage 3	-	-	-	-
– Write-offs	-	-	-	-
New financial assets originated or purchased	128,554	63	-	128,617
Financial assets that have been derecognised	(520,559)	(272,009)	-	(792,568)
Changes in models/risk parameters	(17,286)	84	-	(17,202)
Foreign exchange and other movements	382,794	293,023	-	675,817
Loss allowance as at 31 December 2024	183,901	428	-	184,329
Total Loss allowance	927,959	1,799,496	13,515,858	16,243,313

Credit quality analysis

Credit-impaired financial assets

The following table sets out a reconciliation of changes in the net carrying amount of credit impaired loans and advances to customers.

	Group	
	2025	2024
	Shs'000	Shs'000
Credit-impaired loans and advances to customers at 1 January	33,712,650	37,554,254
Classified as credit-impaired during the year	5,378,641	11,595,624
Transferred to not credit-impaired during the year	-	-
Net repayments	(1,942,018)	(4,410,252)
Disposals	(2,369,345)	(7,630,304)
Foreign exchange and other movements	444,608	(3,396,672)
Credit-impaired loans and advances to customers at 31 December	35,224,536	33,712,650

The contractual amount outstanding on financial assets that were written off during the year ended 31 December 2025 and that are still subject to enforcement activity is Shs. 2.4 billion (2024 - Shs 7.6 billion).

Loans and advances are summarised as follows:

	Group		Bank	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
Stage 1	236,608,223	196,660,443	156,072,194	128,798,940
Stage 2	75,268,350	71,066,992	56,896,484	51,224,383
Stage 3	37,681,616	37,689,128	35,224,536	33,712,650
Gross	349,558,189	305,416,563	248,193,214	213,735,973
Less: Provision for impairment of loans and advances				
Stage 3 impairment	(19,251,890)	(14,921,658)	(18,043,050)	(13,515,858)
Stage 1 and 2 impairment	(6,133,695)	(5,198,242)	(4,087,720)	(2,727,455)
	324,172,604	285,296,663	226,062,444	197,492,660

The loan and advances categorization in prior year financial statements of neither past due not impaired, Past due not impaired and Impaired were revised stage 1, stage 2 and stage 3 respectively to reflect the appropriate IFRS 9 terminologies

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(a) Credit risk management (Continued)

Credit quality analysis (Continued)

Stage 2 Analysis	Group		Bank	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
Past due up to 30 days	28,636,969	34,919,913	26,465,536	27,096,700
Past due 31 - 60 days (Including advances not past due but in stage 2 using qualitative criteria)	20,653,076	15,899,499	8,111,061	9,782,995
Past due 61 - 90 days	25,978,305	20,247,580	22,319,887	14,344,688
Total	75,268,350	71,066,992	56,896,484	51,224,383
Maximum exposure to credit risk before collateral held				
Balances with Central Banks	65,266,583	26,917,375	36,149,553	9,360,311
Government securities	185,955,297	173,897,190	149,259,124	126,766,961
Deposits and balances due from banking institutions	33,010,186	30,812,392	4,854,226	12,446,574
Loans and advances to customers	324,172,604	285,296,663	226,062,444	197,492,660
Derivative assets	39,727	506,159	-	-
Other assets	3,302,783	2,156,502	2,180,556	974,656
Credit risk exposures relating to off-balance sheet items:				
- Acceptances and letters of credit	51,966,345	48,595,931	49,057,932	44,120,606
- Guarantee and performance bonds	21,765,102	20,635,793	17,257,420	16,288,138
	685,478,627	588,818,005	484,821,255	407,449,906

Collateral, other credit enhancements

The Group holds collateral and other enhancements against its credit exposures mainly loans and advances to customer. The collateral is in the form of cash, properties, motor vehicles and corporate and personal guarantees.

	Group		Group	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
Fair value of collateral	426,199,570	412,921,145	311,461,870	298,740,955

The Group updates valuation of properties and motor vehicles held against loans and advances at the loan origination stage. Additionally, regular valuations usually every three to five years are carried out to update the collateral values. The values of these collaterals form an input to the ECL model.

There are no significant changes in the quality of that collateral or credit enhancements as a result of deterioration or changes in the collateral policies of the entity during the reporting period.

No ECL allowance is recognised in the instance where there is sufficient or excess collateral held.

Settlement risk

The Group is exposed to settlement risk in its dealings with market counterparties (predominantly other financial institutions). These risks arise, for example, in foreign exchange transactions when the Group pays away its side of the transaction to another bank or other counterparty before receiving payment from the other side. The risk is that the counterparty may not meet its obligation. The risk is mitigated by setting counterparty limits. These limits are set after assessing the financial strength of the concerned counterparties

(b)Concentration of risk

A concentration of credit risk exists when a number of counterparties are engaged in similar activities and have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The analysis of credit risk concentrations presented below are based on the economic sector in which they are engaged.

Economic sector risk concentrations within the customer loan and other financial assets portfolios were as follows:

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(b) Concentration of risk (Continued)

Group

31 December 2025	Manufacturing	Wholesale and retail trade	Transport and communications	Business and financial services	Agriculture	Building and construction and real estate	Retail housing	Tourism and hotels	Individuals	Others	Total
On balance sheet	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000
Equity investment - at fair value through OCI	-	-	-	50,000	-	-	-	-	-	-	50,000
Loans and advances to customers (Gross)	59,447,895	74,619,874	25,325,524	47,906,573	14,606,741	54,654,666	889,187	39,775,736	19,894,424	12,437,569	349,558,189
Deposits due from banking institutions	-	-	-	33,010,186	-	-	-	-	-	-	33,010,186
Derivative assets	-	-	-	39,727	-	-	-	-	-	-	39,727
Corporate bond at amortised cost	-	-	-	911,578	-	-	-	-	-	-	911,578
Other assets (excluding prepayments & Statutory receivables)	-	-	-	-	-	-	-	-	-	3,302,783	3,302,783
Off balance sheet	59,447,895	74,619,874	25,325,524	81,918,064	14,606,741	54,654,666	889,187	39,775,736	19,894,424	15,740,352	386,872,463
Off balance sheet assets	12,343,012	10,532,925	2,391,564	3,827,595	111,216	2,304,808	-	117,126	327,627	41,775,577	73,731,450
Undrawn credit lines	1,571,175	3,390,528	7,261,394	331,602	3,047,246	999,256	-	302,373	1,083,943	694,662	18,682,179
31 December 2024	13,914,187	13,923,453	9,652,958	4,159,197	3,158,462	3,304,064	-	419,499	1,411,570	42,470,239	92,413,629
On balance sheet	-	-	-	50,000	-	-	-	-	-	-	50,000
Equity investment - at fair value through OCI	-	-	-	50,000	-	-	-	-	-	-	50,000
Loans and advances to customers (Gross)	50,016,803	52,648,802	25,354,606	40,948,003	15,320,972	52,720,772	1,354,350	40,553,770	20,005,303	6,493,182	305,416,563
Deposits due from banking institutions	-	-	-	30,812,392	-	-	-	-	-	-	30,812,392
Derivative assets	-	-	-	506,159	-	-	-	-	-	-	506,159
Other assets (excluding prepayments & Statutory receivables)	-	132	-	-	-	993	-	-	-	2,155,377	2,156,502
Off balance sheet	50,016,803	52,648,934	25,354,606	72,316,554	15,320,972	52,721,765	1,354,350	40,553,770	20,005,303	8,648,559	338,941,616

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(b) Concentration of risk (Continued)

Group (Continued)

31 December 2024	Manufacturing	Wholesale and retail trade	Transport and communications	Business and financial services	Agriculture	Building and construction and real estate	Retail housing	Tourism and hotels	Individuals	Others	Total
Off balance sheet	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000
Equity investment - at fair value through OCI	8,167,775	14,819,088	2,998,352	2,608,880	1,919,830	6,039,674	-	490,553	54,531	32,133,041	69,231,724
Loans and advances to customers (Gross)	31,881,479	62,693,225	17,143,561	41,342,613	10,954,151	40,687,482	889,187	30,163,393	12,171,298	266,825	248,193,214
Deposits due from banking institutions	-	-	-	4,854,226	-	-	-	-	-	-	4,854,226
Derivative assets	-	-	-	39,440	-	-	-	-	-	-	39,440
Other assets (excluding prepayments & Statutory receivables)	-	-	-	-	-	-	-	-	-	2,180,556	2,180,556
Off balance sheet	31,881,479	62,693,225	17,143,561	46,286,279	10,954,151	40,687,482	889,187	30,163,393	12,171,298	2,447,381	255,317,436
Off balance sheet assets	11,245,294	8,382,516	2,289,335	2,593,728	98,978	1,447,798	-	23,134	327,627	39,906,942	66,315,352
Undrawn credit lines	476,229	1,922,449	7,186,123	215,786	3,006,860	886,452	-	242,503	1,083,943	262,970	15,283,315
31 December 2023	11,721,523	10,304,965	9,475,458	2,809,514	3,105,838	2,334,250	-	265,637	1,411,570	40,169,912	81,598,667

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(b) Concentration of risk (Continued)

Bank

31 December 2024	Manufacturing	Wholesale and retail trade	Transport and communications	Business and financial services	Agriculture	Building and construction and real estate	Retail housing	Tourism and hotels	Individuals	Others	Total
On balance sheet	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000
Equity investment - at fair value through OCI	-	-	-	50,000	-	-	-	-	-	-	50,000
Loans and advances to customers (Gross)	22,847,069	37,718,033	18,808,396	37,231,398	10,711,219	39,999,765	1,277,732	31,969,441	12,937,053	235,867	213,735,973
Deposits due from banking institutions	-	-	-	12,446,574	-	-	-	-	-	-	12,446,574
Derivative assets	-	-	-	484,569	-	-	-	-	-	-	484,569
Other assets (excluding prepayments & Statutory receivables)	-	-	-	-	-	-	-	-	-	974,656	974,656
	22,847,069	37,718,033	18,808,396	50,212,541	10,711,219	39,999,765	1,277,732	31,969,441	12,937,053	1,210,523	227,691,772
Off balance sheet											
Off balance sheet assets	6,094,671	12,116,808	2,704,465	1,860,423	1,720,929	4,646,344	-	286,760	54,531	30,923,813	60,408,744
Undrawn credit lines	1,248,562	6,848,504	393,335	2,246,000	3,046,502	1,668,289	95,300	879,243	439,459	7,600,800	24,465,994
	7,343,233	18,965,312	3,097,800	4,106,423	4,767,431	6,314,633	95,300	1,166,003	493,990	38,524,613	84,874,738

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(c) Market Risk Management

It is the risk of loss due to adverse movements in market rates or prices, such as foreign exchange rates, interest rates and equity prices. It emanates from the trading activities mainly carried out by treasury and structural positions housed in the banking books.

Market risk management is undertaken by the Treasury function under the supervision of ALCO, while Risk department maintains an overall oversight role.

Tolerance limits for market risk are approved by the Board. The limits are further allocated to the banking and trading books that are monitored at pre-defined frequencies. Risk measurement is currently based on sensitivity analysis and stress testing.

(i) Price risk

The Group's exposure to price risk was limited to its investment in Government securities held at fair value through OCI and fair value through P&L. The impact on financial assets and equity from a yield movement of +/-1% in the coupon of the securities would be as follows:

	Group	Bank
	2025	2024
-1% movement	3,825,823	3,750,000
+1% movement	(3,630,426)	(3,554,603)

(ii) Interest rate risk

Interest rate risk is the risk that an investment's value will change due to a change in the absolute level of interest rates, i.e. the spread between two rates, in the shape of the yield curve, or in any other interest rate relationship.

A substantial part of the Group's assets and liabilities are subject to floating rates, hence are re-priced simultaneously. However, the Group is exposed to interest rate risk as a result of mismatches on a relatively small portion of its fixed rate assets and liabilities. The major portion related to this risk is reflected in the banking book owing to investments in fixed rate treasury bonds. The overall potential impact of the mismatches on the earnings in short-term and economic value of the portfolio in the long-term is not material and is being managed within the tolerance limits approved by the Board.

The Central Bank of Kenya (CBK) has published the revised Risk-Based Credit Pricing Model (RBCPM) taking effect from 1 December 2025. This framework identifies the Kenya Shilling Overnight Interbank Average (KESONIA) as the common reference rate to be applied for pricing all variable rate Kenya Shilling denominated loans.

KESONIA is a transaction-based benchmark rate reflecting the average interest rate at which banks in Kenya lend and borrow unsecured overnight funds in Kenyan Shillings. CBK has emphasized that only the name has changed and that the underlying methodology remains the same and continues to represent actual overnight interbank lending transaction. The new framework aims to enhance transparency, fairness, and accessibility in lending while strengthening monetary policy transmission ensuring that changes in the Central Bank's policy rate are reflected more effectively in customer loan rates. Where the use of KESONIA is not practical, the banks may use the Central Bank Rate (CBR) as the alternative reference rate. Previously, Kenyan banks priced loans using their own internally determined interbank rates, supplemented with a risk based premium.

The Bank has adopted the CBR as the reference rate and has implemented it effective 1 December 2025 for all new variable rate Kenya Shilling loans and existing variable-rate loans were transitioned to this model on 1 March 2026.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(c) Market Risk Management (Continued)

(ii) Interest rate risk (Continued)

The table below summarises the Group's exposure to interest rate risks. Included in the table are the Group's assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates. The Group does not bear an interest rate risk on off-balance sheet items.

Group	Up to 1	1-3	3-12	1-5	Over 5	Non-interest	
At 31 December 2025	month	months	months	years	years	sensitive	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
FINANCIAL ASSETS							
Cash and balances with Central Banks	-	-	-	-	-	78,327,382	78,327,382
Government securities	5,552,766	5,382,305	37,216,276	88,084,648	49,719,302	-	185,955,297
Deposits and balances due from banking institutions	22,644,613	6,208,251	2,236,011	-	-	1,921,311	33,010,186
Loans and advances to customers	60,553,003	244,753,919	362,478	514	-	18,502,690	324,172,604
Corporate bond at amortised cost	-	-	-	-	-	911,578	911,578
Derivative assets	-	-	-	-	-	39,727	39,727
Other assets	-	-	-	-	-	3,302,783	3,302,783
Total financial assets	88,750,382	256,344,475	39,814,765	88,085,162	49,719,302	103,005,471	625,719,557
FINANCIAL LIABILITIES							
Deposits from customers	269,067,926	63,843,066	39,833,445	98,681,922	-	37,712,856	509,139,215
Deposits and balances due to banking institutions	21,035,624	-	-	-	-	-	21,035,624
Borrowings	-	-	1,335,225	-	-	169,790	1,505,015
Derivative liabilities	-	-	-	-	-	53,538	53,538
Other liabilities	-	-	-	-	-	7,082,267	7,082,267
Lease liabilities	42,259	88,967	393,935	3,959,391	-	-	4,484,552
Total financial liabilities	290,145,809	63,932,033	41,562,605	102,641,313	-	45,018,451	543,300,211
Interest sensitivity gap	(201,395,427)	192,412,442	(1,747,840)	(14,556,151)	49,719,302	57,987,020	82,419,346

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(c) Market Risk Management (Continued)

(ii) Interest rate risk (Continued)

Group	Up to 1	1-3	3-12	1-5	Over 5	Non-interest	
At 31 December 2024	month	months	months	years	years	sensitive	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
FINANCIAL ASSETS							
Cash and balances with Central Banks	-	-	-	-	-	45,959,773	45,959,773
Government securities	5,416,194	7,838,802	57,563,600	73,918,880	29,159,714	-	173,897,190
Deposits and balances due from banking institutions	18,713,375	7,027,527	1,318,415	-	-	3,753,075	30,812,392
Loans and advances to customers	53,507,440	206,395,242	1,136,925	1,839,207	-	22,417,849	285,296,663
Derivative assets	-	-	-	-	-	506,159	506,159
Other assets	-	-	-	-	-	2,156,502	2,156,502
Total financial assets	77,637,009	221,261,571	60,018,940	75,758,087	29,159,714	74,793,358	538,628,679
FINANCIAL LIABILITIES							
Balances due to Central Banks	-	-	-	-	-	-	-
Deposits from customers	229,679,887	60,925,612	113,383,478	7,298,561	-	35,929,275	447,216,813
Deposits and balances due to banking institutions	17,143,157	-	-	-	-	-	17,143,157
Borrowings	-	-	3,660,530	-	-	6,921	3,667,451
Derivative liabilities	-	-	-	-	-	108,768	108,768
Other liabilities	-	-	-	-	-	6,177,471	6,177,471
Lease liabilities	67,389	63,833	338,771	4,289,738	-	-	4,759,731
Total financial liabilities	246,890,433	60,989,445	117,382,779	11,588,299	-	42,222,435	479,073,391
Interest sensitivity gap	(169,253,424)	160,272,126	(57,363,839)	64,169,788	29,159,714	32,570,923	59,555,288

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)
(c) Market Risk Management(Continued)
(ii) Interest rate risk (Continued)

Bank	Up to 1	1-3	3-12	1-5	Over 5	Non-interest	Total
At 31 December 2025	month	months	months	years	years	sensitive	Shs'000
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
FINANCIAL ASSETS							
Cash and balances with Central Bank of Kenya	-	-	-	-	-	40,755,687	40,755,687
Government securities	-	-	29,695,319	69,844,503	49,719,302	-	149,259,124
Deposits and balances due from banking institutions	2,618,215	-	2,236,011	-	-	-	4,854,226
Loans and advances to customers	187,015	208,418,824	274,605	514	-	17,181,487	226,062,445
Derivative assets	-	-	-	-	-	39,440	39,440
Other assets	-	-	-	-	-	2,180,556	2,180,556
Total financial assets	2,805,230	208,418,824	32,205,935	69,845,017	49,719,302	60,157,170	423,151,478
FINANCIAL LIA BILITIES							
Deposits from customers	197,876,131	52,948,942	92,873	93,045,120	-	-	343,963,066
Deposits and balances due to banking institutions	12,790,366	-	-	-	-	-	12,790,366
Borrowings	-	1,112,695	-	-	-	165,561	1,278,256
Derivative liabilities	-	-	-	-	-	46,068	46,068
Other liabilities	-	-	-	-	-	4,620,118	4,620,118
Lease liabilities	26,932	41,125	214,692	1,885,782	1,166,608	-	3,335,139
Total financial liabilities	210,693,429	54,102,762	307,565	94,930,902	1,166,608	4,831,747	366,033,013
Interest sensitivity gap	(207,888,199)	154,316,062	31,898,370	(25,085,885)	48,552,694	55,325,423	57,118,465

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)
(c) Market Risk Management (Continued)
(ii) Interest rate risk (Continued)

Bank	Up to 1	1-3	3-12	1-5	Over 5	Non-interest	Total
At 31 December 2024	month	months	months	years	years	sensitive	Shs'000
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
FINANCIAL ASSETS							
Cash and balances with Central Bank of Kenya	-	-	-	-	-	14,962,662	14,962,662
Government securities	-	922,385	39,395,323	57,289,539	29,159,714	-	126,766,961
Deposits and balances due from banking institutions	9,714,314	2,598,705	133,555	-	-	-	12,446,574
Loans and advances to customers	78,403	177,048,020	169,113	332	-	20,196,792	197,492,660
Derivative assets	-	-	-	-	-	484,569	484,569
Other assets	-	-	-	-	-	974,656	974,656
Total financial assets	9,792,717	180,569,110	39,697,991	57,289,871	29,159,714	36,618,679	353,128,082
FINANCIAL LIABILITIES							
Balances due to Central Bank of Kenya	-	-	-	-	-	-	-
Deposits from customers	164,746,932	52,223,835	76,993,333	107,959	-	-	294,072,059
Deposits and balances due to banking institutions	11,096,569	-	-	-	-	-	11,096,569
Borrowings	-	1,196,824	1,154,892	1,014,456	-	-	3,366,172
Derivative liabilities	-	-	-	-	-	108,768	108,768
Other liabilities	-	-	-	-	-	3,394,207	3,394,207
Lease liabilities	23,635	34,055	177,731	1,089,133	1,960,754	-	3,285,308
Total financial liabilities	175,867,136	53,454,714	78,325,956	2,211,548	1,960,754	3,502,975	315,323,083
Interest sensitivity gap	(166,074,419)	127,114,396	(38,627,965)	55,078,323	27,198,960	33,115,704	37,804,999

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(c) Market Risk Management (Continued)

(ii) Interest rate risk (Continued)

The impact on the after tax profit or loss and equity as a result of a 5% increase or decrease in interest rates on financial assets, net of financial liabilities, would be as follows:

	Group		Bank	
	2025	2024	2025	2024
	Shs'million	Shs'million	Shs'million	Shs'million
+ 5% movement	2,018	2,955	1,961	2,705
- 5% movement	(2,018)	(2,955)	(1,961)	(2,705)

(iii) Foreign exchange risk

The Group's assets are typically funded in the same currency as the business transacted to eliminate foreign exchange exposure. However, the Group maintains an open position within the tolerance limits prescribed by the Central Banks and approved in the various countries it operates in.

End-of-the-day positions are marked to market daily. The intra-day positions are managed by treasury/dealing room through stop loss/dealers limits.

The table below summarises the Group's and Bank's exposure to foreign currency exchange rate risk at 31 December 2025. Included in the table are the Group's and Bank's financial instruments, categorised by currency.

Group	USD	GBP	EURO	OTHERS	TOTAL
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
At 31 December 2025					
FINANCIAL ASSETS					
Cash and balances with Central banks	2,488,037	110,895	382,236	8,261	2,989,429
Deposits and balances due from banking institutions	31,293,529	549,665	2,134,706	241,692	34,219,592
Corporate bond at amortised cost	911,578	-	-	-	911,578
Other assets	135,221	173	494	1,270,858	1,406,746
Loans and advances to customers	132,368,648	-	5,722,682	1	138,091,331
Total financial assets	167,197,013	660,733	8,240,118	1,520,812	177,618,676
FINANCIAL LIABILITIES					
Deposits from customers	141,472,999	4,311,243	7,648,288	340,774	153,773,304
Deposits and balances due to banking institutions	12,656,421	24,146	4,543	83,935	12,769,045
Other liabilities	757,362	2,212	5,076	2,062	766,712
Borrowings	1,335,227	-	-	4,229	1,339,456
Lease liabilities	216,346	-	-	-	216,346
Total financial liabilities	156,438,355	4,337,601	7,657,907	431,000	168,864,863
Net balance sheet position	10,758,658	(3,676,868)	582,211	1,089,812	8,753,813
Net off balance sheet position	(8,262,706)	3,795,599	(697,769)	299,784	(4,865,092)
Overall net position	2,495,952	118,731	(115,558)	1,389,596	3,888,721

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(c) Market Risk Management (Continued)

(iii) Foreign exchange risk (Continued)

Group	USD	GBP	EURO	OTHERS	TOTAL
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
At 31 December 2024					
FINANCIAL ASSETS					
Cash and balances with Central banks	8,511,332	192,907	366,679	10,026	9,080,944
Deposits and balances due from banking institutions	25,805,410	811,265	3,355,543	499,830	30,472,048
Other assets	649,429	3	28	5,735	655,195
Loans and advances to customers	124,833,083	-	3,686,673	1	128,519,757
Total financial assets	159,799,254	1,004,175	7,408,923	515,592	168,727,944
FINANCIAL LIABILITIES					
Deposits from customers	136,737,973	4,660,228	7,564,288	338,169	149,300,658
Deposits and balances due to banking institutions	5,294,162	21,331	4,029	95,547	5,415,069
Other liabilities	260,282	3,389	10,529	1,828,755	2,102,955
Borrowings	3,660,530	-	-	6,921	3,667,451
Lease liabilities	933,053	-	-	-	933,053
Total financial liabilities	146,886,000	4,684,948	7,578,846	2,269,392	161,419,186
Net balance sheet position	12,913,254	(3,680,773)	(169,923)	(1,753,800)	7,308,758
Net off balance sheet position	(7,588,346)	5,096,872	(2,717,425)	316,149	(4,892,750)
Overall net position	5,324,908	1,416,099	(2,887,348)	(1,437,651)	2,416,008

Bank

At 31 December 2025

FINANCIAL ASSETS

Cash and balances with Central Bank of Kenya	771,142	59,167	238,325	-	1,068,634
Deposits and balances due from banking institutions	2,241,515	99,894	75,359	148,779	2,565,547
Other assets	22,383	-	-	1,270,854	1,293,237
Loans and advances to customers	89,550,947	-	5,410,896	-	94,961,843
Total financial assets	92,585,987	159,061	5,724,580	1,419,633	99,889,261

FINANCIAL LIABILITIES

Deposits from customers	74,190,223	3,949,776	4,784,420	304,905	83,229,324
Deposits and balances due to banking institutions	12,626,285	24,146	4,543	83,934	12,738,908
Other liabilities	410,274	11	35	1,735	412,055
Borrowings	1,112,697	-	-	-	1,112,697
Lease liabilities	216,346	-	-	-	216,346
Total financial liabilities	88,555,825	3,973,933	4,788,998	390,574	97,709,330

Net balance sheet position

Net off balance sheet position	(7,902,175)	3,797,828	(684,932)	314,801	(4,474,478)
Overall net position	(3,872,013)	(17,044)	250,650	1,343,860	(2,294,547)

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(c) Market Risk Management (Continued)

(iii) Foreign exchange risk (Continued)

Bank	USD	GBP	EURO	OTHERS	TOTAL
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
At 31 December 2024					
FINANCIAL ASSETS					
Cash and balances with Central Bank of Kenya	1,035,108	96,368	192,083	-	1,323,559
Deposits and balances due from banking institutions	10,832,464	596,344	521,637	431,800	12,382,245
Other assets	48,091	-	-	-	48,091
Loans and advances to customers	80,938,304	-	3,625,880	-	84,564,184
Total financial assets	92,853,967	692,712	4,339,600	431,800	98,318,079
FINANCIAL LIABILITIES					
Deposits from customers	70,886,387	4,292,626	4,588,948	308,676	80,076,637
Deposits and balances due to banking institutions	6,947,324	21,331	4,029	95,546	7,068,230
Other liabilities	235,020	42	1,025	1,822,368	2,058,455
Borrowings	3,366,172	-	-	-	3,366,172
Lease liabilities	251,092	-	-	-	251,092
Total financial liabilities	81,685,995	4,313,999	4,594,002	2,226,590	92,820,586
Net balance sheet position	11,167,972	(3,621,287)	(254,402)	(1,794,790)	5,497,493
Net off balance sheet position	(13,034,519)	3,618,861	456,881	112,270	(8,846,507)
Overall net position	(1,866,547)	(2,426)	202,479	(1,682,520)	(3,349,014)

Currency risk sensitivity analysis

At 31 December 2025, if the local currency in each country the Group operates in, had strengthened or weakened by 5% against the major trading currencies, with all other variables held constant, the impact on the after-tax profit and equity would have been as shown below:

	USD	GBP	EURO	OTHERS	TOTAL
2025	Shs'million	Shs'million	Shs'million	Shs'million	Shs'million
Group					
+ 5% movement	87.0	4.0	(4.0)	49.0	136.0
- 5% movement	(87.0)	(4.0)	4.0	(49.0)	(136.0)
Bank					
+ 5% movement	(136.0)	(1.0)	9.0	47.0	(81.0)
- 5% movement	136.0	1.0	(9.0)	(47.0)	81.0
2024					
Group					
+ 5% movement	186.4	49.6	(101.1)	(50.3)	84.6
- 5% movement	(186.4)	(49.6)	101.1	50.3	(84.6)
Bank					
+ 5% movement	(65.0)	-	7.0	(59.0)	(117.0)
- 5% movement	65.0	-	(7.0)	59.0	117.0

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(d) Liquidity risk management

Liquidity risk is the risk that the Group will be unable to meet cash flow obligations as they become due, because of an inability to liquidate assets, or to obtain adequate funding. At management level, ALCO has the responsibility for the formulation and management of the overall strategy and oversight of the asset liability management function. At Board level and, through its sub-committee, BRMC reviews the strategy adopted by ALCO and provides direction on a periodic basis. The Group follows a comprehensive liquidity risk management policy and procedures duly recommended by the ALCO, reviewed by the BRMC and approved by the Board. The policy stipulates maintenance of various ratios, funding preferences, and evaluation of the Group's liquidity under normal and crisis situation (stress testing). The Group also performs stress tests for exceptional and worst scenarios to monitor and consolidate its position in the market. DTB liquidity measures have remained above regulatory requirements throughout this period. The Group's approach to managing liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when they are due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The key elements of the Group's liquidity strategy include: maintaining a diversified funding base consisting of customer deposits (both retail and corporate) and maintaining funding lines, carrying a portfolio of highly liquid assets, diversified by currency and maturity, monitoring maturity mismatches, behavioural characteristics of the Group's financial assets and financial liabilities, and the extent to which the Group's assets are encumbered and so not available as potential collateral for obtaining funding.

The table below presents the undiscounted cash flows receivable and payable by the Group and Bank under financial assets and liabilities by remaining contractual maturities at the reporting date.

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)
(d) Liquidity risk management (Continued)

Group

At 31 December 2025	Up to 1		1-3		3-12		1-5		Over 5		Total
	month	Shs'000	months	Shs'000	months	Shs'000	years	Shs'000	years	Shs'000	
FINANCIAL ASSETS											
Cash and balances with Central Banks	60,284,320		6,258,779		11,448,462		335,821		-		78,327,382
Government securities	2,549,471		6,382,879		9,950,184		89,124,375		99,470,799		207,477,708
Deposits and balances due from banking institutions	56,905,476		64,082,120		-		-		-		120,987,596
Loans and advances to customers	37,082,796		45,808,881		67,455,293		159,027,765		74,787,341		384,162,076
Corporate bond at amortised cost	54,133		-		162,398		962,280		-		1,178,811
Equity investment - at fair value through other comprehensive income (FVOCI)	-		-		-		-		50,000		50,000
Derivative assets	-		-		39,727		-		-		39,727
Other assets	3,271,778		8,406		22,599		-		-		3,302,783
Total financial assets	160,147,974		122,541,065		89,078,663		249,450,241		174,308,140		795,526,083
FINANCIAL LIABILITIES											
Deposits from customers	306,437,860		65,599,506		133,708,952		6,771,838		60,007		512,578,163
Deposits and balances due to banking institutions	21,559,088		-		1,193		-		-		21,560,281
Derivative liabilities	-		-		53,538		-		-		53,538
Borrowings	7,008		1,149,546		41,940		158,417		165,559		1,522,470
Other liabilities	7,082,267		-		-		-		-		7,082,267
Lease liabilities	68,904		114,687		611,038		4,367,022		2,361,213		7,522,864
Total financial liabilities	335,155,127		66,863,739		134,416,661		11,297,277		2,586,779		550,319,583
Net liquidity gap	(175,007,153)		55,677,326		(45,337,998)		238,152,964		171,721,361		245,206,500

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)
(d) Liquidity risk management (Continued)

Group (Continued)		Up to 1	1-3	3-12	1-5	Over 5	Total
	month	months	months	years	years	years	Shs'000
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
At 31 December 2024							
FINANCIAL ASSETS							
Cash and balances with Central Banks	39,969,144	1,953,714	3,623,463	391,964	21,488		45,959,773
Government securities	5,926,923	5,491,175	61,912,574	63,848,393	137,898,550		275,077,615
Deposits and balances due from banking institutions	32,243,071	2,400,505	1,261,126	-	-		35,904,702
Loans and advances to customers	24,060,476	41,807,983	59,926,646	135,693,353	73,517,007		335,005,465
Equity investment - at fair value through other comprehensive income (FVOCI)	-	-	-	-	50,000		50,000
Derivative assets	-	-	506,159	-	-		506,159
Other assets	2,112,050	19,164	24,295	-	993		2,156,502
Total financial assets	104,311,664	51,672,541	127,254,263	199,933,710	211,488,038		694,660,216
FINANCIAL LIABILITIES							
Deposits from customers	264,750,905	62,599,035	114,452,074	8,252,820	5,089		450,059,923
Deposits and balances due to banking institutions	20,370,717	-	569,717	-	-		20,940,434
Derivative liabilities	-	-	108,768	-	-		108,768
Borrowings	10,531	1,232,505	1,199,787	1,360,810	-		3,803,633
Other liabilities	6,149,963	27,508	-	-	-		6,177,471
Lease liabilities	67,250	107,769	577,090	3,524,717	4,459,059		8,735,885
Total financial liabilities	291,349,366	63,966,817	116,907,436	13,138,347	4,464,148		489,826,114
Net liquidity gap	(187,037,702)	(12,294,276)	10,346,827	186,795,363	207,023,890		204,834,102

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)
(d) Liquidity risk management (Continued)

Bank	Up to 1		1-3		3-12		1-5		Over 5		Total
	month	Shs'000	months	Shs'000	months	Shs'000	years	Shs'000	years	Shs'000	
At 31 December 2025											
FINANCIAL ASSETS											
Cash and balances with Central Bank of Kenya	24,797,303		5,984,965		9,637,598		335,821		-		40,755,687
Government securities	-		-		1,199,978		71,071,070		91,538,693		163,809,741
Deposits and balances due from banking institutions	4,953,423		-		-		-		-		4,953,423
Derivative assets	-		-		39,440		-		-		39,440
Loans and advances to customers	25,323,240		27,384,290		38,702,915		105,161,983		68,254,172		264,826,600
Other assets	2,180,556		-		-		-		-		2,180,556
Equity investment - at fair value through other comprehensive income (FVOCI)	-		-		-		-		50,000		50,000
Total financial assets											
	57,254,522		33,369,255		49,579,931		176,568,874		159,842,865		476,615,447
FINANCIAL LIABILITIES											
Deposits from customers	198,455,837		54,293,498		90,986,769		226,962		-		343,963,066
Deposits and balances due to banking institutions	12,813,412		-		-		-		-		12,813,412
Borrowings	-		1,113,446		-		-		165,559		1,279,005
Derivative liabilities	-		-		46,068		-		-		46,068
Lease liabilities	48,882		74,643		389,668		3,422,713		2,117,405		6,053,311
Other liabilities	4,620,118		-		-		-		-		4,620,118
Total financial liabilities											
	215,938,249		55,481,587		91,422,505		3,649,675		2,282,964		368,774,980
Net liquidity gap											
	(158,683,727)		(22,112,332)		(41,842,574)		172,919,199		157,559,901		107,840,467

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)
(d) Liquidity risk management (Continued)

Bank (Continued)												
At 31 December 2024												
FINANCIAL ASSETS												
Cash and balances with Central Bank of Kenya	10,755,195	1,717,974	2,409,161	80,332	-	-	-	-	-	-	-	14,962,662
Government securities	-	946,074	41,934,837	48,542,468	130,497,421	-	-	-	-	-	-	221,920,800
Deposits and balances due from banking institutions	12,460,842	-	-	-	-	-	-	-	-	-	-	12,460,842
Derivative assets	-	-	484,569	-	-	-	-	-	-	-	-	484,569
Loans and advances to customers	15,181,561	21,455,732	34,882,239	93,723,399	67,800,272	-	-	-	-	-	-	233,043,203
Other assets	974,656	-	-	-	-	-	-	-	-	-	-	974,656
Equity investment - at fair value through other comprehensive income (FVOCI)	-	-	-	-	-	-	-	-	-	-	-	50,000
Total financial assets	39,372,254	24,119,780	79,710,806	142,346,199	198,347,693	483,896,732						
FINANCIAL LIABILITIES												
Deposits from customers	164,340,357	53,600,378	76,154,503	128,214	-	-	-	-	-	-	-	294,223,452
Deposits and balances due to banking institutions	12,785,442	-	-	-	-	-	-	-	-	-	-	12,785,442
Borrowings	-	1,196,824	1,154,892	1,115,608	-	-	-	-	-	-	-	3,467,324
Derivative liabilities	-	-	108,768	-	-	-	-	-	-	-	-	108,768
Lease liabilities	47,810	68,888	359,519	2,203,122	3,966,258	-	-	-	-	-	-	6,645,597
Other liabilities	3,394,207	-	-	-	-	-	-	-	-	-	-	3,394,207
Total financial liabilities	180,567,816	54,866,090	77,777,682	3,446,944	3,966,258	320,624,790						
Net liquidity gap	(141,195,562)	(30,746,310)	1,933,124	138,899,255	194,381,435	163,271,942						

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(e) Operational risk management

Operational risk is the risk that the Group will face direct or indirect loss resulting from inadequate or failed internal processes, people, technology failures and from external events. The Group has in place Board-approved Operations Risk Management Policy and Procedures.

At management level, the Operational Risk Management Committee (ORCO) has the responsibility for assessing the risk associated with the Group's activities, ensuring they are clearly identified, assessed and controlled in line with the Group's Operational Risk Management Policy. ORCO is charged with ensuring that the Group has adequate internal policies and procedures, technology, business continuity, and ensuring that the appropriate knowledge, skills, resources and expertise are available within the Group to enable the staff to meet the risk management and control requirements within each of their respective areas of operation.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost-effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit and coordinated on an overall basis by the Group's Risk function.

(f) Climate related risk

Climate-Related Risk refers to the potential negative impacts of Climate Change on the organisation. The Bank is likely to experience the financial risk related to the physical consequences of climate change (Physical risks) as well as the transition to a climate-neutral economy (transition risk). These risk channels are drivers of conventional risk types (i.e., credit, liquidity, reputational, legal, compliance and operational risks).

Presently, climate change is becoming an increasingly important issue for financial institutions, regulators, investors, and clients. The Bank remains committed to addressing the climate crisis by supporting the transition to a sustainable, low-carbon economy that balances society's environmental, social, and economic needs.

The Bank has set up a Climate Risk management strategy within the overall Environmental Social Governance (ESG) risk management framework. The framework was presented to the board for approval in September 2023. The Bank has revamped its Social Environmental Management System (SEMS) to a more robust Environmental Social Governance (ESG) and Climate-related Risk Management framework. The enhanced framework includes policies, processes and controls geared towards effective management of ESG and climate related risks. These policies, procedures and controls ensure that the bank's internal operations, client on boarding, financing to customers, engaging outsourced business partners and overall supply chain of the bank are in compliance with emerging regulatory requirements and all stakeholders' expectations. Key among the enhancements is inclusion of climate related stress test scenarios within the existing stress test framework.

The Bank has identified the following climate-related risk factors as having an impact on its financial instruments and included them in its principal risk management processes.

- Industries exposed to increased transition risks: The Bank has identified industries that have the potential to be affected by transition risks negatively affecting their business model. Lending limits have been set for these industries.
- Physical risk to real estate: The Bank has identified areas in which it operates that are exposed to potential increase in physical risk such as floods. Heightened physical risk is considered in valuing collateral, such as real estate, plant, or inventory.
- Imposing limitations or defining exclusion criteria i.e. exclusion control measures for sectors which do not align with its' ESG and climate risk strategy.

In addition, the Bank is in the process of developing models that aim to assess how borrowers' performance is linked to climate -related risk management. The Bank plans to use these models in pricing credit risk and in calculating expected credit losses (ECLs). The goal is to accelerate sustainable finance by supporting clients as the world moves towards a net zero economy and helping them build resilience to climate risks.

(g) Fair values of financial assets and liabilities

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following sets out the Group's basis of establishing fair values of financial instruments: Government securities and derivatives with observable market prices including equity securities are fair valued using that information. Investment securities that do not have observable market data are fair valued either using discounted cash flow method or quoted market prices for securities with similar yield characteristics.

Loans and advances to customers are net of allowance for impairment. The estimated fair value of loans and advances represents the discounted amount of future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value. A substantial proportion of loans and advances are on floating rates and re-price within 12 months, hence their fair value approximates their carrying amounts.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(g) Fair values of financial assets and liabilities (Continued)

Where they are available, the fair value of corporate bonds are based on observable market transactions. Where observable market transactions are not available, fair value is estimated using valuation models, such as discounted cash flow techniques or quoted market prices for securities with similar yield characteristics.

The estimated fair value of deposits with no stated maturity is the amount repayable on demand. Estimated fair value of fixed interest bearing deposits and borrowings without quoted market prices is based on discounting cash flows using the prevailing market rates for debts with similar maturities and interest rates. A substantial proportion of deposits mature within 12 months and hence the fair value approximates their carrying amounts.

Cash and balances with Central Banks, other assets,and other liabilities are measured at amortized cost and their fair value approximates their carrying amount. The table has been amended by splitting into two as below:

- Fair value hierarchy of assets and liabilities measured at fair value
- Financial instruments not measured at fair value

Fair value hierarchy of assets and liabilities measured at fair value

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

Fair value hierarchy of assets and liabilities measured at fair value

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

	2025		2024	
	Carrying value	Fair value	Carrying value	Fair value
Group	Shs'000	Level 1 Shs'000	Level 2 Shs'000	Level 3 Shs'000
Financial assets				
Government securities	149,185,989	149,185,989	116,994,259	116,994,259
Equity investment - at fair value through OCI	50,000	50,000	50,000	50,000
Derivative assets	39,727	39,727	506,159	506,159
	149,275,716	149,275,716	117,550,418	117,550,418
Financial liabilities				
Derivative liabilities	53,538	53,538	108,768	108,768
Bank				
Financial assets				
Government securities	124,792,671	124,792,671	82,310,125	82,310,125
Equity investment - at fair value through OCI	50,000	50,000	50,000	50,000
Derivative assets	39,440	39,440	484,569	484,569
	124,882,111	124,882,111	82,844,694	82,844,694
Financial liabilities				
Derivative liabilities	46,068	46,068	108,768	108,768

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(g) Fair values of financial assets and liabilities (Continued)

Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measures at fair value and analysis them by the level in the fair value hierarchy into which each fair value measurement is categorised.

Carrying value		Fair value			
Group	Level 1	Level 2	tLevel 3	Total	
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Financial assets					
Cash and balances with Central Banks	78,327,382	-	-	78,327,382	78,327,382
Government securities	36,769,308	33,828,736	-	-	33,828,736
Deposits and balances due from banking institutions	33,010,186	-	-	33,010,186	33,010,186
Corporate bond at amortised cost	911,578	-	-	1,031,164	1,031,164
Loans and advances to customers	324,172,604	-	-	324,172,604	324,172,604
Other assets	3,302,783	-	-	3,302,783	3,302,783
Total financial assets	476,493,841	33,828,736	-	439,844,119	473,672,855
Financial liabilities					
Deposits from customers	509,139,215	-	-	509,139,215	509,139,215
Deposits and balances due to banking institutions	21,035,624	-	-	21,035,624	21,035,624
Borrowings	1,505,015	-	-	1,505,015	1,505,015
Lease liabilities	4,484,552	-	-	4,484,552	4,484,552
Other liabilities	7,082,267	-	-	7,082,267	7,082,267
Total financial liabilities	543,246,673	-	-	543,246,673	543,246,673
2024					
Financial assets					
Cash and balances with Central Banks	45,959,773	-	-	45,959,773	45,959,773
Government securities	56,902,931	56,824,770	-	-	56,824,770
Deposits and balances due from banking institutions	30,812,392	-	-	30,812,392	30,812,392
Loans and advances to customers	285,296,663	-	-	285,296,663	285,296,663
Other assets	2,156,502	-	-	2,156,502	2,156,502
Total financial assets	421,128,261	56,824,770	-	364,225,330	421,050,100
Financial liabilities					
Deposits from customers	447,216,813	-	-	447,216,813	447,216,813
Deposits and balances due to banking institutions	17,143,157	-	-	17,143,157	17,143,157
Borrowings	3,667,451	-	-	3,667,451	3,667,451
Lease liabilities	4,759,731	-	-	4,759,731	4,759,731
Other liabilities	6,177,471	-	-	6,177,471	6,177,471
Total financial liabilities	478,964,623	-	-	478,964,623	478,964,623

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(g) Fair values of financial assets and liabilities (Continued)

Carrying value		Fair value			
Bank	Level 1	Level 2	tLevel 3	Total	
2025	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Financial assets					
Cash and balances with Central Bank of Kenya	40,755,687	-	-	40,755,687	40,755,687
Government securities	24,466,453	21,537,938	-	-	21,537,938
Deposits and balances due from banking institutions	4,854,226	-	-	4,854,226	4,854,226
Loans and advances to customers	226,062,444	-	-	226,062,444	226,062,444
Other assets	2,180,556	-	-	2,180,556	2,180,556
Total financial assets	298,319,366	21,537,938	-	273,852,913	295,390,851
Financial liabilities					
Deposits from customers	343,963,066	-	-	343,963,066	343,963,066
Deposits and balances due to banking institutions	12,790,366	-	-	12,790,366	12,790,366
Borrowings	1,278,256	-	-	1,278,256	1,278,256
Lease liabilities	3,335,138	-	-	3,335,138	3,335,138
Other liabilities	4,620,118	-	-	4,620,118	4,620,118
Total financial liabilities	365,986,944	-	-	365,986,944	365,986,944

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)
(g) Fair values of financial assets and liabilities (Continued)

Carrying value		Fair value			
Bank		Level 1	Level 2	Level 3	Total
2024	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Financial assets					
Cash and balances with Central Bank of Kenya	14,962,662	-	-	14,962,662	14,962,662
Government securities	44,456,836	44,718,687	-	-	44,718,687
Deposits and balances due from banking institutions	12,446,574	-	-	12,446,574	12,446,574
Loans and advances to customers	197,492,660	-	-	197,492,660	197,492,660
Other assets	974,656	-	-	974,656	974,656
Total financial assets	270,333,388	44,718,687	-	225,876,552	270,595,239
Financial liabilities					
Deposits from customers	294,072,059	-	-	294,072,059	294,072,059
Deposits and balances due to banking institutions	11,096,569	-	-	11,096,569	11,096,569
Borrowings	3,366,172	-	-	3,366,172	3,366,172
Lease liabilities	3,285,308	-	-	3,285,308	3,285,308
Other liabilities	3,394,207	-	-	3,394,207	3,394,207
Total financial liabilities	315,214,315	-	-	315,214,315	315,214,315

(h) Capital management

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the balance sheet, are:

- to comply with the capital requirements set by the Central Bank of Kenya (CBK);
- to safeguard the Bank as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- to maintain a strong capital base to support the development of its business.

Capital adequacy and use of regulatory capital are monitored regularly by management, employing techniques based on the guidelines developed by the Basel Committee, as implemented by the Central Bank of Kenya for supervisory purposes. The required information is filed with the Central Bank of Kenya on a monthly basis.

The risk weighted assets are measured by means of a hierarchy, classified according to the nature and reflecting an estimate, of the credit risk associated with each assets and counter party. A similar treatment is adopted for off balance sheet exposure, with some adjustment to reflect the more contingent nature of the potential losses.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)
(h) Capital management (Continued)

The Group manages its capital to meet the Central Bank requirements. In the case of the Bank, the requirements are listed below:

- hold the minimum level or regulatory capital of Shs 3 billion;
- maintain a ratio of total regulatory capital to the risk-weighted assets plus risk-weighted off-balance sheet assets (the 'Basel ratio') at or above the required minimum of 8%;
- maintain core capital of not less than 8% of total deposit liabilities; and
- maintain total capital of not less than 12% of risk-weighted assets plus risk-weighted off-balance sheet items.

Banks in Kenya are also required to maintain a capital conservation buffer of 2.5% over and above the minimum capital requirements. The statutory minimum capital adequacy ratios (CARs) including the buffer are as follows:

Core capital to Total risk weighted assets (TRWA) ratio	10.50%
Core capital to deposits ratio	8.00%
Total capital to TRWA ratio	14.50%

The Bank maintains an internally set and Board- approved Board minimum CAR requirement of 1% and 1.5% over and above the CBK prescribed minimum of Core capital/TRWA ratio of 11.50 % and Total capital to TRWA ratio of 16.0% respectively.

As at 31 December 2025, the Bank's capital ratios are above the minimum capital requirements.

The Bank's total regulatory capital is divided into two tiers:

- Tier 1 capital (core capital): share capital, share premium plus retained earnings.
- Tier 2 capital (supplementary capital): 25% (subject to prior approval) of revaluation reserves, subordinated debt not exceeding 50% of Tier 1 capital and hybrid capital instruments and statutory credit reserve. Qualifying Tier 2 capital is limited to 100% of Tier 1 capital.

During the year, the Group and Bank have complied with requirements of the regulators; Central Bank of Kenya, Bank of Tanzania, Bank of Uganda, the Capital Markets Authority as well as the Nairobi Securities Exchange.

The table below summarises the composition of regulatory capital and the ratios of the Group and Bank as at 31 December:

	Group		Bank	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
Tier 1 Capital	84,271,269	75,674,239	56,519,356	49,049,883
Tier 1 + Tier 2 Capital	89,648,422	82,478,656	61,406,849	54,073,295
Risk-weighted assets				
On-balance sheet	353,807,415	315,358,697	244,683,093	217,881,819
Off-balance sheet	44,191,616	35,366,692	37,647,624	27,586,932
Operational and market risk	109,615,621	100,441,240	81,715,867	66,919,682
Total risk-weighted assets	507,614,652	451,166,629	364,046,584	312,388,433
Basel ratio				
Tier 1 (CBK minimum - 10.5%)	16.6%	16.8%	15.53%	15.7%
Tier I + Tier II (CBK minimum - 14.5%)	17.7%	18.3%	16.87%	17.3%

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

4. Financial risk management (Continued)

(h) Capital management (Continued)

The capital adequacy ratios for the subsidiaries are summarised below;

	2025	2024
Tier 1		
DTB Tanzania - Bank of Tanzania (BOT) minimum - 12.5%;	20.4%	20.4%
DTB Uganda - Bank of Uganda (BOU) minimum - 10.5%	22.5%	22.5%
DTB Burundi - Banque de la Republique du Burundi minimum - 12.5%		41.3%
Tier I + Tier II		
DTB Tanzania (BOT) minimum - 14.5%;	20.4%	20.4%
DTB Uganda - (BOU) minimum -14.5%	23.4%	23.4%
DTB Burundi - Banque de la Republique du Burundi minimum - 14.5%		42.3%

5. Interest income calculated using effective interest method

	Group		Bank	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
Loans and advances	33,362,174	Restated 32,165,844	22,349,001	22,351,209
Government securities at armortised cost	5,788,572	9,948,363	4,774,827	8,310,396
Government securities at fair value through OCI	18,397,736	15,682,474	14,393,111	9,502,876
Placements and bank balances	3,448,874	1,515,064	1,584,005	772,422
	60,997,356	59,311,745	43,100,944	40,936,903

6. Interest expense

Deposits from customers	24,496,964	25,217,946	18,260,891	19,312,569
Deposits due to banking institutions	824,840	3,985,548	588,536	2,744,153
Borrowings	220,329	1,493,117	165,185	1,459,534
Lease liability (note 24)	572,442	517,025	401,438	364,302
	26,114,575	31,213,636	19,416,050	23,880,558

7. (a) Fee and commission income

Fees and commissions on loans and advances	2,512,988	2,215,418	2,061,202	1,697,084
Other fees and commissions income	4,551,827	4,179,052	1,990,310	2,237,429
	7,064,815	6,394,470	4,051,512	3,934,513

7. (b) Other operating income

Dividend income	-	-	316,204	180,000
Rental income	96,086	72,763	96,086	72,763
Commission from insurance business	423,483	410,430	49,509	67,399
Gain/(loss) on sale of property and equipment	2,470	4,662	2,008	(61)
Gain on sale of Government securities	731,650	7,318	731,650	7,318
Other	83,764	199,473	38,107	19,483
	1,337,453	694,646	1,233,564	346,902

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

8. Operating expenses

	Group		Bank	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
Operating expenses include:		Restated		
Staff costs (Note 9)	10,969,024	9,757,360	7,353,314	6,231,760
Depreciation on property and equipment (Note 22)	1,182,584	1,153,176	668,866	603,798
Amortisation of software costs (Note 21)	634,051	535,606	383,691	301,384
Depreciation charge on right of use assets (Note 24)	680,586	603,120	272,152	258,823
Auditor's remuneration - Local statutory audit	36,548	36,689	21,455	20,433
- Information systems audit	26,494	24,088	12,177	11,597
Other expenses	9,253,062	9,115,515	4,695,439	4,253,558
	22,782,349	21,225,554	13,407,094	11,681,353

Other expenses largely consists of technology costs, legal costs, deposit protection fund, rent, security expense and advertising.

9. Staff costs

Salaries and allowances	9,018,622	8,039,321	6,147,934	5,246,212
Contribution to defined contribution retirement scheme	361,484	334,144	359,672	332,241
National Social Security Fund contribution	350,343	294,383	78,786	37,759
Others including insurance and training expenses	1,238,575	1,089,512	766,922	615,548
	10,969,024	9,757,360	7,353,314	6,231,760

The average number of employees for the Group during the year was 2,957 (2024: 2,866).

10. Income tax expense

a) Tax charge				
Current income tax - current year	4,580,893	2,918,710	2,771,837	546,032
Under provision of income tax in previous year	(272,626)	50,628	-	-
Deferred income tax - current year (Note 25)	(1,958,104)	(647,567)	(1,479,620)	699,788
Prior year deferred tax adjustment (Note 25)	344,136	(20,150)	-	-
	2,694,299	2,301,621	1,292,217	1,245,820

The comparative information has been represented due to a discontinued operation.

b) The tax on the profit before income tax differs from the theoretical amount that would arise using the basic tax rate as follows:

Profit before income tax	13,934,108	11,070,410	8,556,763	6,556,307
Tax calculated at the statutory tax rate of 30% (2024-30%)	4,180,232	3,321,123	2,567,029	1,966,892
Tax effect of:				
Income not subject to tax	(2,951,997)	(1,910,477)	(2,416,255)	(1,356,094)
Expenses not deductible for tax purposes	1,394,554	820,197	1,141,443	635,022
Under provision of income tax in previous year	(272,626)	50,628	-	-
Prior year deferred tax adjustment	344,136	20,150	-	-
Income tax expense	2,694,299	2,301,621	1,292,217	1,245,820

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

10. Income tax expense (Continued)

c) Tax receivable				
At 1 January	(1,592,419)	(2,084,149)	(2,080,447)	(2,445,450)
Deconsolidated on sale of Burundi subsidiary	(13,780)	-	-	-
Income tax charge- continuing operations	4,580,893	2,918,710	2,771,837	546,032
Income tax charge- discontinued operations	-	58,298	-	-
Prior year under provision	(272,626)	50,628	-	-
Tax paid	(1,821,536)	(2,535,906)	(159,885)	(181,029)
At 31 December	880,532	(1,592,419)	531,505	(2,080,447)
Comprising of:				
Tax payable	898,318	510,468	531,505	-
Tax receivable	(17,786)	(2,102,887)	-	(2,080,447)
	880,532	(1,592,419)	531,505	(2,080,447)

Income that is exempt from taxation mainly includes interest income from infrastructure bonds (IFB) while expenses that are not deductible in determining taxable profit includes provident fund costs, Interest expenses allocated to exempt IFB income, donations, expenses of a capital nature and fringe benefit tax paid.

11. Discontinued operation

In September 2025, management entered into an agreement to sell its subsidiary to a consortium of investors. The agreement was finalised on 31 December 2025. The subsidiary was previously not classified as held for sale or as a discontinued operation since the sale of the Burundi operations was not previously classified as held for sale. The comparative consolidated statement of profit and loss and OCI has been re-presented to show the discontinued operations separately from continuing operations.

	2025	2024
	Shs'000	Shs'000
a) Results of the discontinued operations		
Income		
Interest income	396,297	383,602
Interest expense	(95,813)	(90,263)
Net interest income	300,484	293,339
Fees and commission income	32,347	42,328
Foreign exchange income	8,564	9,377
Other operating income	399	256
Operating income	341,794	345,300
Costs and Expenses		
Operating expenses	(267,361)	(221,515)
Impairment loss on loans and advances	5,998	(23,674)
Profit from operations	80,431	100,111
Share of results of associates after tax	28,494	14,837
Profit before income tax	108,925	114,948
Income tax expense	(53,224)	(64,328)
Net profit for the year	55,701	50,620
Loss on sale of subsidiary (Note 11 b)	(2,659)	-
Translation reserve reclassified to profit or loss	(585,652)	-
(Loss)/profit from discontinued operation net of tax	(532,610)	50,620
Other comprehensive income		
Exchange differences on translating foreign operations	-	(358,841)
Total comprehensive income for the year	(532,610)	(308,221)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

11. Discontinued operation (Continued)

	2025	2024
	Shs'000	Shs'000
Profit attributable to:		
Owners of the Bank	(446,069)	42,354
Non controlling interests	(86,541)	8,266
	(532,610)	50,620
Basic and diluted earnings per share	(1.60)	0.15
Total comprehensive income attributable to:		
Owners of the Bank	(446,069)	(257,889)
Non controlling interests	(86,541)	(50,332)
	(532,610)	(308,221)

	Group		Bank	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
b) (Loss)/Gain on sale of disposal of DTB Burundi Subsidiary				
Expected proceeds on sale of the Burundi Subsidiary	1,270,854	-	1,270,854	-
Expenses	(41,447)	-	(41,447)	-
Share of net assets/investment at cost	(1,232,066)	-	(636,907)	-
(Loss)/ gain on sale of disposal of DTB Burundi Subsidiary	(2,659)	-	592,500	-
c) Cashflows used in discontinued operations	171,107	(131,177)		
Net cash generated /(used in) operating activities	(1,569,676)	-		
Net cashflows from investing activities	(1,398,569)	(131,177)		
	(127,715)	(131,208)		
d) Effect of disposal on the financial position of the Group				
Government securities	(846,871)	-		
Loans and advances to normal customers	(2,662,355)			
Other assets	(50,026)			
Intangible assets - software costs	(4,881)			
Right of use assets (lease assets)	(38,824)			
Property and equipment	(119,664)			
Current income tax receivable	(3,200)			
Investment in associate	(85,902)			
Customer deposits	2,609,434			
Deposits and balances due to banking institutions	135,650			
Lease Liability	35,231			
Other liabilities	22,729			
Deferred Income tax liabilities	10,687			
Net assets and liabilities	(997,992)			
Expenses related to sale of Burundi subsidiary	(41,447)			
Cash and balances with Banque de la République du Burundi	(371,417)			
Deposits and balances due from banking institutions	(158,820)			
Net cash Inflows	(1,569,676)			

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

12. Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to the owners of the Bank by the weighted average number of ordinary shares outstanding during the year.

Group						
	2025			2024		
	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total
				Restated	Restated	
Profit attributable to shareholders (Shs thousands)	9,853,308	(446,069)	9,407,239	7,600,088	42,354	7,642,442
Weighted average number of ordinary shares in issue (thousands)	279,602	279,602	279,602	279,602	279,602	279,602
Earnings per share (Shs per share) - basic and diluted	35.24	(1.60)	33.65	27.18	0.15	27.33

The earnings per share have been calculated on the basis of the number of weighted ordinary shares issued as at 31 December 2025. There were no potentially dilutive shares outstanding at 31 December 2025.

13. Dividends per share

A final dividend in respect of the year ended 31 December 2025 of Shs.9.00 (2024: Shs 7.00) per share amounting to a total of Shs 2,516,419,980 is proposed. (2024:Shs 1,957,215,540)

Payment of dividends is subject to withholding tax at a rate of 5% for shareholders who are citizens of East Africa Partner States, 0% for shareholders who are insurance companies or whose dividend income is exempt from tax and 15% for all other shareholders.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

14. Classification of financial assets and liabilities

a) Group

The following table provides a reconciliation between line items in the statement of financial position and categories of financial instruments.

	At FVPL	Investment at FVOCI	Amortised cost	Total carrying amount
	Shs'000	Shs'000	Shs'000	Shs'000
31 December 2025				
Cash and balances with Central Banks	-	-	78,327,382	78,327,382
Government securities	502,263	148,693,753	36,759,281	185,955,297
Deposits and balances due from banking institutions	-	-	33,010,186	33,010,186
Loans and advances to customers	-	-	324,172,604	324,172,604
Corporate bond at amortised cost	-	-	911,578	911,578
Equity investment - at fair value through OCI	-	50,000	-	50,000
Derivative assets	39,727	-	-	39,727
Other assets	-	-	3,302,783	3,302,783
Total financial assets	541,990	148,743,753	476,483,814	625,769,557
Deposits from customers	-	-	509,139,215	509,139,215
Deposits and balances due to banking institutions	-	-	21,035,624	21,035,624
Derivative liabilities	53,538	-	-	53,538
Other liabilities	-	-	7,082,267	7,082,267
Borrowings	-	-	1,505,015	1,505,015
Lease liabilities	-	-	4,484,552	4,484,552
Total financial liabilities	53,538	-	543,246,673	543,300,211
31 December 2024				
Cash and balances with Central Banks	-	-	45,959,773	45,959,773
Government securities	619,309	116,385,072	56,892,809	173,897,190
Deposits and balances due from banking institutions	-	-	30,812,392	30,812,392
Loans and advances to customers	-	-	285,296,663	285,296,663
Equity investment - at fair value through OCI	-	50,000	-	50,000
Derivative assets	506,159	-	-	506,159
Other assets	-	-	2,156,502	2,156,502
Total financial assets	1,125,468	116,435,072	421,118,139	538,678,679
Deposits from customers	-	-	447,216,813	447,216,813
Deposits and balances due to banking institutions	-	-	17,143,157	17,143,157
Derivative liabilities	108,768	-	-	108,768
Other liabilities	-	-	6,177,471	6,177,471
Borrowings	-	-	3,667,451	3,667,451
Lease liabilities	-	-	4,759,731	4,759,731
Total financial liabilities	108,768	-	478,964,623	479,073,391

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

14. Classification of financial assets and liabilities (Continued)

b) Bank

The following table provides a reconciliation between line items in the statement of financial position and categories of financial instruments.

	At FVPL	Investment at FVOCI	Amortised cost	Total carrying amount
	Shs'000	Shs'000	Shs'000	Shs'000
31 December 2025				
Cash and balances with Central Bank of Kenya	-	-	40,755,687	40,755,687
Government securities	502,263	124,300,435	24,466,453	149,269,151
Deposits and balances due from banking institutions	-	-	4,854,226	4,854,226
Loans and advances to customers	-	-	226,062,444	226,062,444
Investment securities- at fair value through OCI	-	50,000	-	50,000
Derivative assets	39,440	-	-	39,440
Other assets	-	-	2,180,556	2,180,556
Total financial assets	541,703	124,350,435	298,319,366	423,211,504
Deposits from customers				
Deposits and balances due to banking institutions	-	-	343,963,066	343,963,066
Derivative liabilities	46,068	-	-	46,068
Other liabilities	-	-	4,620,118	4,620,118
Borrowings	-	-	1,278,256	1,278,256
Lease liabilities	-	-	3,335,138	3,335,138
Total financial liabilities	46,068	-	365,986,944	366,033,012
31 December 2024				
Cash and balances with Central Bank of Kenya	-	-	14,962,662	14,962,662
Government securities	619,309	81,700,938	44,456,836	126,777,083
Deposits and balances due from banking institutions	-	-	12,446,574	12,446,574
Loans and advances to customers	-	-	197,492,660	197,492,660
Equity investment - at fair value through OCI	-	50,000	-	50,000
Derivative assets	484,569	-	-	484,569
Other assets	-	-	974,656	974,656
Total financial assets	1,103,878	81,750,938	270,333,388	353,188,204
Balances due to Central Bank of Kenya	-	-	-	-
Deposits from customers	-	-	294,072,059	294,072,059
Deposits and balances due to banking institutions	-	-	11,096,569	11,096,569
Derivative liabilities	108,768	-	-	108,768
Other liabilities	-	-	3,394,207	3,394,207
Borrowings	-	-	3,366,172	3,366,172
Lease liabilities	-	-	3,285,308	3,285,308
Total financial liabilities	108,768	-	315,214,315	315,323,083

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

15. Cash and balances with Central Banks

	Group		Bank	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
Cash in hand	13,060,799	19,042,398	4,606,134	5,602,351
Balances with Central Banks				
-Unrestricted balances	42,295,402	6,181,514	25,143,470	-
-Restricted balances (Statutory Minimum Reserve)	22,971,181	20,735,861	11,006,083	9,360,311
	78,327,382	45,959,773	40,755,687	14,962,662

Banks are required to maintain a prescribed minimum cash balance with the Central Banks. In the case of the Bank, the amount is determined as 3.25% in 2025 (2024: 4.25%) of the average outstanding customer deposits over a cash reserve cycle period of one month. The reserve in the case of the Group has been determined as 6% and 9.5% in Tanzania and Uganda respectively. The balances are all current assets.

16. Government securities

-At amortised cost				
Treasury bills	4,025,757	7,029,305	-	-
Treasury bonds	32,771,282	49,912,486	24,494,184	44,495,696
Expected credit loss	(27,731)	(38,860)	(27,731)	(38,860)
	36,769,308	56,902,931	24,466,453	44,456,836
-At fair value through OCI				
Treasury bills	24,186,252	886,711	23,129,203	-
Treasury bonds	127,952,919	114,720,117	103,142,645	83,370,806
Fair value gain/(loss) on government securities	(3,445,418)	778,244	(1,971,413)	(1,669,868)
	148,693,753	116,385,072	124,300,435	81,700,938
-At fair value through profit and loss				
Treasury bonds	502,263	619,309	502,263	619,309
Fair value loss on government securities	(10,027)	(10,122)	(10,027)	(10,122)
	492,236	609,187	492,236	609,187
Total Government securities	185,955,297	173,897,190	149,259,124	126,766,961

Treasury bills and bonds are debt securities issued by the Republic of Kenya in the case of the Bank, as well as the United Republic of Tanzania, Republic of Uganda and Republique du Burundi in the case of the Group.

The maturity profile of Government securities is as follows:

Less than 1 year	48,151,347	70,818,596	29,695,319	40,317,708
1-5 years	88,084,648	73,918,880	69,844,503	57,289,539
Over 5 years	49,719,302	29,159,714	49,719,302	29,159,714
	185,955,297	173,897,190	149,259,124	126,766,961

17. Deposits and balances due from banking institutions

Due from other banks	33,031,228	30,838,000	4,858,287	12,451,824
Expected credit loss	(21,042)	(25,608)	(4,061)	(5,250)
	33,010,186	30,812,392	4,854,226	12,446,574

All deposits due from banking institutions are due within one year.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

18. Corporate Bond at amortised cost

	Group	
	2025	2024
At start of the year	-	-
Additions	902,209	-
Interest accrued	12,631	-
Expected credit loss	(3,262)	-
At the end of the year	911,578	-

The maturity profile of the corporate bond is as follows:

Within 1 year	12,631	-
Between 1 year - 5 years	898,947	-
	911,578	-

The corporate bond relates to a bond held with CRDB Bank Limited in Tanzania, The bond has a fixed interest coupon of 6% and a tenor of five years.

19. Loans and advances to customers

	Group		Bank	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
Loans and advances	343,926,590	301,515,571	242,561,615	209,834,981
Finance leases	5,631,599	3,900,992	5,631,599	3,900,992
Gross loans and advances	349,558,189	305,416,563	248,193,214	213,735,973
Less: Expected credit loss				
Stage 3 impairment	(19,251,890)	(14,921,658)	(18,043,050)	(13,515,858)
Stage 1 & Stage 2 impairment	(6,133,695)	(5,198,242)	(4,087,720)	(2,727,455)
Net loans and advances	324,172,604	285,296,663	226,062,444	197,492,660
Expected to be recovered:				
Within 1 year - current	135,428,573	114,661,324	90,617,075	71,102,300
After 1 year - non-current	188,744,031	170,635,339	135,445,369	126,390,360
	324,172,604	285,296,663	226,062,444	197,492,660

Movements in provisions for impairment of loans and advances are as follows:

	Group		Bank	
	Stage 3	Stage 1& Stage 2	Stage 3	Stage 1&2
	Impairment	impairment	Impairment	impairment
	Shs'000	Shs'000	Shs'000	Shs'000
Year ended 31 December 2024				
At start of year	17,572,592	4,540,864	14,967,655	2,889,257
Provision for loan impairment- continuing operations	7,583,519	1,223,414	6,178,506	(161,802)
Provision for loan impairment- discontinued operation	32,888	(4,679)		
Loans written off during the year as uncollectible	(9,715,896)	-	(7,630,303)	-
Recoveries/reversals- continuing operations	(122,052)	-	-	-
Recoveries/reversals- discontinued operations	(2,285)	-	-	-
Translation difference	(427,108)	(561,357)	-	-
At end of year	14,921,658	5,198,242	13,515,858	2,727,455

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

19. Loans and advances to customers (Continued)

	Group		Bank	
	Stage 3	Stage 1& Stage 2	Stage 3	Stage 1&2
	Impairment	impairment	Impairment	impairment
	Shs'000	Shs'000	Shs'000	Shs'000
Year ended 31 December 2025				
At start of year	14,921,658	5,198,242	13,515,858	2,727,455
Deconsolidation on disposal of Burundi Subsidiary	(42,686)	(33,477)	-	-
Provision for loan impairment	9,532,516	1,132,620	7,394,528	1,360,265
Loans written off during the year as uncollectible	(4,094,333)	(194,405)	(2,369,345)	-
Recoveries/reversals	(1,061,077)	-	(497,991)	-
Translation difference	(4,188)	30,715	-	-
At end of year	19,251,890	6,133,695	18,043,050	4,087,720

Group	Stage 3	Stage 1& Stage 2	Continuing operations
	Impairment	impairment	Total
Charge to statement of profit or loss (Restated)	Shs'000	Shs'000	Shs'000
Year ended 31 December 2024			
Provision for loan impairment	7,583,519	1,223,414	8,806,933
Recoveries	(122,052)	-	(122,052)
Net increase in provision	7,461,467	1,223,414	8,684,881
Amounts recovered previously written off	(1,287,282)	-	(1,287,282)
Loans written off through the statement of profit or loss	3,968	-	3,968
Net charge to statement of profit or loss	6,178,153	1,223,414	7,401,567
Year ended 31 December 2025			
Provision for loan impairment	9,532,516	1,128,709	10,661,225
Recoveries	(1,061,077)	-	(1,061,077)
Net increase in provision	8,471,439	1,128,709	9,600,148
Amounts recovered previously written off	(1,274,931)	-	(1,274,931)
Loans written off through the statement of profit or loss	355,855	-	355,855
Net charge to statement of profit or loss	7,552,363	1,128,709	8,681,072

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

19. Loans and advances to customers (Continued)

Bank	Stage 3 Impairment Shs'000	Stage 1& Stage 2 impairment Shs'000	Total Shs'000
Charge to statement of profit or loss			
Year ended 31 December 2024			
Provision for loan impairment	6,178,506	(161,802)	6,016,704
Amounts recovered previously written off	(53,604)	-	(53,604)
Loans written off through statement of profit or loss	53	-	53
Net charge to statement of profit or loss	6,124,955	(161,802)	5,963,153
Year ended 31 December 2025			
Provision for loan impairment	7,394,528	1,360,265	8,754,793
Recoveries/reversals	(497,991)	-	(497,991)
Net increase in provision	6,896,537	1,360,265	8,256,802
Amounts recovered previously written off	(170,303)	-	(170,303)
Loans written off through statement of profit or loss	7,149	-	7,149
Net charge to statement of profit or loss	6,733,383	1,360,265	8,093,648

All non performing loans have been written down to their estimated recoverable amount. The aggregate amount of non-performing loans, net of provision for identified impairment losses, at 31 December 2025, was Group: Shs 18.8 billion, Bank: Shs 17.5 billion (2024 - Group: Shs 22.8 billion, Bank: Shs 20.2 billion).

Loans and advances to customers include finance leases receivables as follows:

Group and Bank		
	2025	2024
	Shs'000	Shs'000
Gross investment in finance leases:		
Not later than 1 year	767	-
Later than 1 year and not later than 5 years	4,719,184	4,121,465
Later than 5 years	2,132,658	582,092
	6,852,609	4,703,557
Unearned future finance income on finance leases	(1,221,010)	(802,565)
Net investment in finance leases	5,631,599	3,900,992

The net investment in finance leases may be analysed as follows:

Not later than 1 year	730	-
Later than 1 year and not later than 5 years	4,070,981	3,459,416
Later than 5 years	1,559,888	441,576
Net investment in finance leases	5,631,599	3,900,992

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

20. Other assets

	Group		Bank	
	2025 Shs'000	2024 Shs'000	2025 Shs'000	2024 Shs'000
Uncleared cheques	664,292	693,296	620,458	668,534
Deposits and prepayments	1,743,892	1,659,467	861,595	778,160
Proceeds receivable from sale of Burundi subsidiary.	1,270,854	-	1,270,854	-
Others	1,367,637	1,463,206	289,244	306,122
	5,046,675	3,815,969	3,042,151	1,752,816

All other assets are due within one year.

21. Intangible assets-software costs

At start of year	2,219,031	1,468,008	1,481,610	885,353
Deconsolidated on disposal of Burundi subsidiary	(8,480)	-	-	-
Additions	376,097	1,277,835	349,309	896,370
Transfer from property and equipment (Note 22)	99,045	104,999	-	1,271
Amortisation charge for the year- continuing operations	(634,051)	(535,606)	(383,691)	(301,384)
Amortisation charge for the year- discontinued operation	-	(5,102)	-	-
Write offs/disposal	(186,526)	-	(165,872)	-
Translation difference	7,373	(91,103)	-	-
At the end of year	1,872,489	2,219,031	1,281,356	1,481,610
Cost	6,243,859	6,017,907	3,937,273	3,753,872
Accumulated amortisation	(4,371,370)	(3,798,876)	(2,655,917)	(2,272,262)
Net book amount	1,872,489	2,219,031	1,281,356	1,481,610

Intangible assets are all non current assets

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

22. Property and equipment

(a) Grotup

	Freehold land	Buildings	Leasehold improvements	Motor vehicles	Furniture fittings & fittings & equipment	*Work in progress	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Year ended 31 December 2024							
Opening net book amount	47,445	3,521,753	480,114	50,291	2,859,245	475,667	7,434,515
Translation difference	(9,831)	(165,765)	(42,244)	(1,462)	(260,451)	(16,314)	(496,067)
Additions	-	16,359	36,745	33,194	529,984	569,066	1,185,348
Transfer from work in progress	-	1,651	63,067	31,272	577,698	(673,688)	-
Transfer to intangible assets (Note 21)	-	-	-	-	-	(104,999)	(104,999)
Disposals - cost	-	-	(30,391)	(10,027)	(506,382)	(6,553)	(553,353)
Disposals - accumulated depreciation	-	-	27,809	9,178	503,896	-	540,883
Depreciation charge- continuing operations	-	(89,311)	(117,646)	(29,332)	(916,887)	-	(1,153,176)
Depreciation charge-discontinued operation	-	(4,048)	(380)	-	(12,233)	-	(16,661)
Closing net book amount	37,614	3,280,639	417,074	83,114	2,774,870	243,179	6,836,490
At 31 December 2024							
Cost or valuation	37,614	3,555,282	2,215,627	320,247	10,418,848	243,179	16,790,797
Accumulated depreciation	-	(274,643)	(1,798,553)	(237,133)	(7,643,978)	-	(9,954,307)
Net book amount	37,614	3,280,639	417,074	83,114	2,774,870	243,179	6,836,490
At 31 December 2024							
Cost	2,064	2,380,734	2,215,627	320,247	10,418,848	243,179	15,580,699
Revaluation surplus	35,550	1,174,548	-	-	-	-	1,210,098
Cost or valuation	37,614	3,555,282	2,215,627	320,247	10,418,848	243,179	16,790,797

*Work in progress related to various projects that have commenced but not completed.

22. Property and equipment (Continued)

(a) Group (Continued)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

	Freehold land	Buildings	Leasehold improvements	Motor vehicles	Furniture fittings & fittings & equipment	*Work in progress	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Year ended 31 December 2025							
Opening net book amount	37,614	3,280,639	417,074	83,114	2,774,870	243,179	6,836,490
Deconsolidated on sale of Burundi	(37,614)	(36,433)	(3,397)	-	(34,003)	-	(111,447)
Translation difference	-	(8,789)	2,038	747	1,309	2,990	(1,705)
Additions	-	5,937	20,327	5,750	464,531	708,449	1,204,994
Transfer from work in progress	-	8,183	59,732	12,121	406,506	(486,542)	-
Transfer to intangible assets (Note 21)	-	-	-	-	(9,219)	(89,826)	(99,045)
Write off	-	-	-	-	-	-	-
Disposals - cost	-	-	(22,877)	(23,571)	(638,807)	(15,101)	(700,356)
Disposals - accumulated depreciation	-	-	22,523	20,235	634,892	-	677,650
Depreciation charge	-	(89,035)	(110,845)	(32,827)	(949,877)	-	(1,182,584)
Closing net book amount	-	3,160,502	384,575	65,569	2,650,202	363,149	6,623,997
At 31 December 2025							
Cost or valuation	-	3,478,304	2,277,522	306,992	10,517,056	363,149	16,943,023
Accumulated depreciation	-	(317,803)	(1,892,946)	(241,424)	(7,866,855)	-	(10,319,028)
Net book amount	-	3,160,501	384,576	65,568	2,650,201	363,149	6,623,995
At 31 December 2025							
Cost	-	2,321,552	2,277,522	306,992	10,517,056	363,149	15,786,271
Revaluation surplus	-	1,156,752	-	-	-	-	1,156,752
Cost or valuation	-	3,478,304	2,277,522	306,992	10,517,056	363,149	16,943,023

Property and Equipment are all non current assets

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

22. Property and equipment (Continued)

(b) Bank

	Buildings	Leasehold improvements	Motor vehicles	Furniture fittings & fittings & equipment	*Work in progress	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Year ended 31 December 2024						
Opening net book amount	2,501,232	213,324	40,382	1,257,838	372,195	4,384,971
Additions	14,661	32,407	27,335	291,449	293,031	658,883
Transfers from work in progress	1,651	38,473	-	571,518	(611,642)	-
Transfers to intangible assets (Note 21)	-	-	-	-	(1,271)	(1,271)
Disposals - cost	-	(27,809)	-	(414,250)	(6,553)	(448,612)
Disposals - accumulated depreciation	-	27,809	-	414,067	-	441,876
Depreciation charge	(47,593)	(57,227)	(20,324)	(478,654)	-	(603,798)
Closing net book amount	2,469,951	226,977	47,393	1,641,968	45,760	4,432,049
At 31 December 2024						
Cost or valuation	2,610,898	875,128	179,231	5,570,269	45,760	9,281,286
Accumulated depreciation	(140,947)	(648,151)	(131,838)	(3,928,301)	-	(4,849,237)
Net book amount	2,469,951	226,977	47,393	1,641,968	45,760	4,432,049
At 31 December 2024						
Cost	2,026,673	875,128	179,231	5,570,269	45,760	8,697,061
Revaluation surplus	584,225	-	-	-	-	584,225
Cost or valuation	2,610,898	875,128	179,231	5,570,269	45,760	9,281,286

Property and Equipment are all non current assets

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

22. Property and equipment (Continued)

(b) Bank (Continued)

	Buildings	Leasehold improvements	Motor vehicles	Furniture fittings & fittings & equipment	*Work in progress	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Year ended 31 December 2025						
Opening net book amount	2,469,951	226,977	47,393	1,641,968	45,760	4,432,049
Additions	5,937	17,660	3,500	294,921	395,694	717,712
Transfers from work in progress	8,183	28,172	12,121	190,184	(238,660)	-
Disposals - cost	-	(8,113)	(16,888)	(619,270)	(15,101)	(659,372)
Disposals - accumulated depreciation	-	8,113	13,552	616,503	-	638,168
Depreciation charge	(47,856)	(62,617)	(20,470)	(537,923)	-	(668,866)
Closing net book amount	2,436,215	210,192	39,208	1,586,383	187,693	4,459,691
At 31 December 2025						
Cost or valuation	2,625,018	912,847	177,964	5,436,104	187,693	9,339,626
Accumulated depreciation	(188,803)	(702,655)	(138,756)	(3,849,721)	-	(4,879,935)
Net book amount	2,436,215	210,192	39,208	1,586,383	187,693	4,459,691
At 31 December 2025						
Cost	2,040,793	912,847	177,964	5,436,104	187,693	8,755,401
Revaluation surplus	584,225	-	-	-	-	584,225
Cost or valuation	2,625,018	912,847	177,964	5,436,104	187,693	9,339,626

Property and Equipment are all non current assets

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

22. Property and equipment (Continued)

Land and buildings for Diamond Trust Bank Kenya Limited and Diamond Trust Bank Burundi SA were revalued as at 31 December 2021 while those for Diamond Trust Bank Tanzania PLC were revalued in 2022 by independent valuers Redfearn Valuers Limited, Construction and Design Engineering & Business Company ""Debuco""and Let Consultants Limited respectively. The land and building are valued using level 2 model. The fair values of land and buildings have been derived by using the following methods:

1. Replacement cost method. The method involves inspection and assessment of the condition of the property and determining the current replacement cost. The replacement cost was depreciated to reflect accumulated obsolescence which the asset has suffered as a result of passage of time, use, wear and tear, change in taste and technology and any other adverse factors that may make it less desirable to use. The depreciable replacement cost is used as a proxy for the market value.
2. Income method - This takes regard to the current rentals received. The reversionary potential if appropriate and where there is vacant accomodation, the potential market rentals are included after suitable periods of deferment.
3. Comparable method - The value was derived by comparing the property being valued to similar properties that have recently been sold, applying appropriate units of comparison and making adjustments to the sale prices of comparable sales. The assessment of the market value was based on how much it would cost to buy a square foot of lettable area or for a vacant plot, the current market price of similar properties in the area where the property is located.

The book values of the properties were adjusted to the revaluations and the resultant surplus was credited to reserves in shareholders' equity. Land and buildings are revalued every 3 - 5 years.

If land and buildings were stated at the historical cost basis, the amounts would be as follows:

	Group		Bank	
	2025	2024	2025	2024
	Land and Building	Land and Building	Land and Building	Land and Building
	Shs'000	Shs'000	Shs'000	Shs'000
Cost	2,364,738	2,350,618	1,939,916	1,942,108
Accumulated depreciation	(348,154)	(348,154)	(325,469)	(325,248)
Net book amount	2,016,584	2,002,464	1,614,447	1,616,860

23. Intangible assets - goodwill

	Group	
	2025	2024
	Shs'000	Shs'000
Goodwill on acquisition of control in subsidiaries	173,372	173,372

The above goodwill is attributable to the strong position and profitability of Diamond Trust Bank Tanzania PLC and Diamond Trust Bank Uganda Limited in their respective markets.

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to subsidiaries. The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by the Board of Directors covering a five-year period and discounted at rates comparable to that earned from risk assets.The discount rate reflects specific risks relating to the relevant subsidiaries and the countries in which they operate. The Group assessed the impairment by comparing the recoverable amount to the carrying value of the subsidiaries net assets.

Based on the above, the Group does not consider the goodwill impaired.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

24. Leases

Leases as lessee (IFRS 16)

The Group leases a number of branch and office premises. The leases typically run for a period of 6 to 10 years, with an option to renew the lease after that date. For some leases, payments are renegotiated every five years to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices.

Information about leases for which the Group is a lessee is presented below.

i) Right-of-use assets

Right-of-use assets relate to leasehold land, equipment ,leased branch and office premises as set out below;

24. Leases (Continued)
Leases as lessee (IFRS 16) (Continued)

	2025					2024				
	Land Shs'000	Equipment Shs'000	Building Shs'000	Total Shs'000	Land Shs'000	Equipment Shs'000	Building Shs'000	Total Shs'000	Land Shs'000	Equipment Shs'000
Group										
Balance at 1 January	1,049,892	99,177	3,613,364	4,762,433	1,711,458	117,595	3,994,480	5,823,533		
Deconsolidation DTB Burundi	-	-	(34,891)	(34,891)	-	-	-	-		
Modifications/additions	-	99,090	1,101,428	1,200,518	-	11,055	581,998	593,053		
Depreciation charge for the year - Continuing operations	(25,533)	(120,801)	(534,252)	(680,586)	(34,299)	(29,473)	(539,348)	(603,120)		
Depreciation charge for the year- discontinued operation	-	-	-	-	-	-	(5,333)	(5,333)		
De-recognition	-	-	(653,404)	(653,404)	-	-	(15,910)	(15,910)		
Reclassified to held for sale assets (note 26)	-	-	-	-	(681,008)	-	-	(681,008)		
Translation difference	(3,076)	2,826	(3,405)	(3,655)	53,741	-	(402,523)	(348,782)		
	1,021,283	80,292	3,488,840	4,590,415	1,049,892	99,177	3,613,364	4,762,433		
Bank										
Balance at 1 January	621,939	-	2,564,768	3,186,707	1,333,798	-	2,299,455	3,633,253		
Modifications/additions	-	-	241,602	241,602	-	-	493,285	493,285		
Depreciation charge for the year	(22,520)	-	(249,632)	(272,152)	(30,851)	-	(227,972)	(258,823)		
Reclassified to held for sale assets (note 26)	-	-	-	-	(681,008)	-	-	(681,008)		
De-recognition	-	-	-	-	-	-	-	-		
	599,419	-	2,556,738	3,156,157	621,939	-	2,564,768	3,186,707		

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS (CONTINUED)

24. Leases (Continued)
Leases as lessee (IFRS 16)

ii) Lease liability

	Group		Bank	
	2025 Shs'000	2024 Shs'000	2025 Shs'000	2024 Shs'000
Expected to be settled within 12 months after the year end	606,314	557,231	513,193	476,216
Expected to be settled more than 12 months after the year end	3,878,238	4,202,500	2,821,945	2,809,092
	4,484,552	4,759,731	3,335,138	3,285,308
The total cash outflow for leases in the year was:				
Payments of principal portion of the lease liability	474,994	441,203	81,544	87,204
Interest paid on lease liabilities	572,442	520,812	401,438	364,302
	1,047,436	962,015	482,982	451,506

Lease liability movement

Balance at 1 January	4,759,731	5,093,908	3,285,308	3,003,314
Deconsolidation on disposal of Burundi Subsidiaries	(34,549)	-	-	-
Modification/additions	881,338	453,527	131,374	369,198
Interest expense from discontinued operation	572,442	517,025	401,438	364,302
Interest expense from continuing operations	-	3,787	-	-
Lease payments	(1,047,436)	(962,015)	(482,982)	(451,506)
Derecognition	(655,492)	(16,407)	-	-
Translation difference	8,518	(330,094)	-	-
	4,484,552	4,759,731	3,335,138	3,285,308

iii) Amounts recognised in profit or loss

	2025 Shs'000	2024 Shs'000	2025 Shs'000	2024 Shs'000
Interest on lease liabilities- continuing operations	(572,442)	Restated (517,025)	(401,438)	(364,302)
Interest on lease liabilities- discontinued operations	-	(3,787)	-	-
Depreciation of right to use asset	(680,586)	(608,453)	(272,152)	(258,823)
Total	(1,253,028)	(1,129,265)	(673,590)	(623,125)

iv) Extension options

Some leases of office premises contain extension options exercisable by the Group up to one term after the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

25. Deferred tax asset

Deferred tax is calculated, in full, on all temporary differences and tax losses under the liability method using a principal tax rate of 30% (2024: 30%). In case of the Group there is no offset of net assets/ liabilities as each country is applying the tax requirements separately. The movement on the deferred tax account is as follows:

Deferred tax asset	Group		Bank	
	2025 Shs'000	2024 Shs'000	2025 Shs'000	2024 Shs'000
At start of year	16,696,672	16,634,128	9,566,085	10,265,873
Deconsolidated on sale of Burundi Subsidiary	1,745	-	-	-
Charged through the statement of profit or loss- continuing operations (Note 10)	1,958,104	647,567	1,479,620	(699,788)
Charged through the statement of profit or loss- discontinued operation	-	1,031	-	-
Charged through other comprehensive income	(119,474)	367,038	91,822	-
Understatement of deferred tax in previous year - continuing operations (Note 10)	(344,136)	20,150	-	-
Understatement of deferred tax in previous year - discontinued operation	-	(7,061)	-	-
Translation difference	134,058	(966,181)	-	-
At end of the year	18,326,969	16,696,672	11,137,527	9,566,085

Deferred tax asset is a non current asset

Consolidated deferred tax assets and liabilities, deferred tax charge in the statement of profit or loss and deferred tax charge through other comprehensive income are attributable to the following items:

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

25. Deferred tax asset (Continued)

Year ended 31 December 2024	Charged to the statement of profit or loss					Charged through OCI					Translation					Prior year under statement					Discontinued operation					1.1.2024				
	31.12.2024					Shs'000					Shs'000					Shs'000					Shs'000					Shs'000				
Deferred tax(liabilities)/assets	restated					restated					restated					restated					restated					restated				
Unrealised foreign exchange losses	(113,550)					(192,129)					356					-					-					78,223				
Software,property and equipment	214,229					(229,350)					(6,583)					7,819					-					442,343				
Revaluation surplus	(294,568)					3,271					12,342					-					-					(310,181)				
Provisions for loan impairment	9,400,803					(744,577)					(294,101)					14,763					(6,030)					10,430,748				
Other provisions	133,166					9,183					-					-					-					123,983				
Tax losses	5,458,823					1,394,487					(754,806)					-					-					4,819,142				
Fair value changes in Government securities	6,122					-					67,238					-					-					(428,154)				
Leases under IFRS 16 ROU & liability	182,527					21,599					9,373					(2,432)					-					153,987				
Interest payable	1,709,120					385,083					-					-					-					1,324,037				
Net deferred tax asset	16,696,672					647,567					(966,181)					20,150					(6,030)					16,634,128				

Year ended 31 December 2025	1.1.2025	Prior year under -statement	Translation	Deconsolidated on disposal of DTB Burundi	Charged through OCI	Charged to profit or loss	31.12.2025
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Deferred tax(liabilities)/assets							
Unrealised foreign exchange losses	(113,550)	-	(23)	-	-	115,072	1,499
Software,property and equipment	214,229	(7,165)	(4,687)	12,084	-	(250,796)	(36,335)
Revaluation surplus	(294,568)	-	586	-	91,822	3,078	(199,082)
Provisions for loan impairment	9,400,803	(336,971)	(16,586)	(10,445)	-	2,129,359	11,166,160
Other provisions	133,166	-	-	-	-	(7,050)	126,116
Tax losses	5,458,823	-	155,967	-	-	287,734	5,902,524
Fair value changes in Government securities	6,122	-	(639)	-	(211,296)	-	(205,813)
Leases under IFRS 16 ROU & liability	182,527	-	(560)	106	-	(43,828)	138,245
Interest payable	1,709,120	-	-	-	-	(275,465)	1,433,655
Net deferred tax Net deferred tax asset asset	16,696,672	(344,136)	134,058	1,745	(119,474)	1,958,104	18,326,969

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS (CONTINUED)

25. Deferred tax asset (Continued)
Group (Continued)

The tax losses were incurred by the Bank's Ugandan subsidiary. Effective from 1 July 2023, tax losses can be carried forward for a period of 7 years after which only 50% of the losses are allowed as deductible from future income. This law is applicable prospectively. The aging of the tax losses is as shown below:

Year of origin	Tax loss amount	Tax credit recognised
	Shs'000	Shs'000
2016	105,450	31,635
2017	1,253,243	375,973
2018	1,631,120	489,336
2019	1,917,510	575,253
2020	2,232,380	669,714
2021	2,003,080	600,924
2022	2,905,760	871,728
2023	4,015,263	1,204,579
2024	2,132,270	639,681
2025	1,479,003	443,701
Total	19,675,079	5,902,524

Deferred tax asset is a non current asset

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS (CONTINUED)

25. Deferred tax asset (Continued)

Bank

Year ended 31 December 2024	1.1.2024	Prior year under -statement	Charged through OCI	Charged to profit or loss	31.12.2024
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Deferred tax assets/ (liabilities)					
Software,property and equipment	400,877	-	-	(208,243)	192,634
Revaluation surplus	(232,422)	-	-	-	(232,422)
Leases under IFRS 16 ROU & liability	211,158	-	-	5,005	216,163
Loan loss allowance	8,357,829	-	-	(697,683)	7,660,146
Interest payable	1,324,037	-	-	385,083	1,709,120
Other provisions	158,107	-	-	14,453	172,560
Unrealised foreign exchange losses	80,495	-	-	(193,235)	(112,740)
Loss on modified assets	(34,208)	-	-	(5,168)	(39,376)
Net deferred tax asset	10,265,873	-	-	(699,788)	9,566,085

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS (CONTINUED)

25. Deferred tax asset (Continued)

Bank (Continued)

Year ended 31 December 2025	1.1.2025	Prior year under -statement	Charged through OCI	Charged to profit or loss	31.12.2025
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Deferred tax assets/ (liabilities)					
Software,property and equipment	192,634	-	-	(210,375)	(17,741)
Revaluation surplus	(232,422)	-	91,822	-	(140,600)
Leases under IFRS 16 ROU & liability	216,163	-	-	17,358	233,521
Loan loss allowance	7,660,146	-	-	1,840,010	9,500,156
Interest payable	1,709,120	-	-	(275,465)	1,433,655
Other provisions	172,560	-	-	(9,660)	162,900
Unrealised foreign exchange losses	(112,740)	-	-	114,729	1,989
Loss on modified assets	(39,376)	-	-	3,023	(36,353)
Net deferred tax asset	9,566,085	-	91,822	1,479,620	11,137,527

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

26. Asset held for sale

	Group and Bank	
	2025	2024
	Shs'000	Shs'000
Land reclassified from right of use assets (Note 24)	-	681,008

The bank had committed to sell one of its properties previously disclosed under right of use assets and accordingly disclosed it as an asset held for sale in 2024. The sale was completed in March 2025. The asset was classified as a current asset in 2024.

	Group and Bank	
	2025	
	Shs'000	Shs'000
Sale proceeds net of capital gains tax		350,461
Book value		(681,008)
Loss transferred to retained earnings		(330,547)
Previous revaluation gains taken through the reserves		
Revaluation of land at point of disposal	520,321	
Related deferred tax	91,822	
Gross revaluation reclassified to retained earnings		612,143
Net impact on the retained earnings		281,596
Net impact in reserves		
Profit and loss		281,596
Revaluation transferred to retained earnings		(520,321)
		(238,725)

27. Equity investment - at fair value through other comprehensive income (FVOCI)

	Group		Bank	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
Kenya Mortgage Refinancing Company (KMRC)	50,000	50,000	50,000	50,000
	50,000	50,000	50,000	50,000
The movement of the balance is set out below:				
Balance at the beginning of the year	50,000	55,550	50,000	50,000
Write off		(5,550)		
Balance at year end	50,000	50,000	50,000	50,000

The investments relate to investment by the Bank in 2019 in KMRC shares . This is classified as a non current asset. The investment by Diamond Trust Bank Burundi SA in a Switch project to support ATM and cards system sponsored by Banque de la Republique du Burundi (BRB) was written off in 2024.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

28. Investments in subsidiaries and associates

Investments in subsidiaries and associates are classified as non current assets.

a) Investment at cost

The cost of the investment in the subsidiaries and the associates are listed below together with the interests held.

Subsidiaries	Beneficial		Group		Bank	
	Ownership		2025	2024	2025	2024
	2025	2024	Shs'000	Shs'000	Shs'000	Shs'000
Diamond Trust Bank Tanzania PLC.	65.68%	65.68%	-	-	2,058,576	2,058,576
Diamond Trust Bank Uganda Limited	67.18%	67.18%	-	-	3,026,081	3,026,081
Diamond Trust Bank Burundi S.A.	0.00%	83.67%	-	-	-	636,907
Diamond Trust Bancassurance Intermediary Limited	100%	100%	-	-	2,000	2,000
Premier Savings and Finance Limited	100%	100%	-	-	29,137	29,137
			-	-	5,115,794	5,752,701
Associates						
Services and Systems Limited	40%	40%	1	1	1	1
Jubilee Insurance Company of Burundi S.A.	20%	20%	-	9,979	-	-
Jubilee Life Insurance Company of Burundi S.A.	20%	20%	-	3,326	-	-
Total investments in subsidiaries and associates			1	13,306	5,115,795	5,752,702

Premier Savings and Finance Limited and Services and Systems Limited, which are incorporated in Kenya, are dormant. All subsidiaries undertak-ings are included in the consolidation.

b) Equity accounting - investment in associates

The movement in the investment in associates, Service and Systems, Jubilee Insurance Company of Burundi S.A. and Jubilee Life Insurance Compa-ny of Burundi S.A. using equity method of accounting, is shown below:

	Group		Bank	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
At start of year	76,875	92,251	1	1
Deconsolidation on disposal of Burundi subsidiary	(76,874)	-	-	-
Additional shares through a rights issue	-	342	-	-
Share of results after tax	-	14,837	-	-
Dividends received	-	(11,440)	-	-
Translation	-	(19,115)	-	-
At end of year	1	76,875	1	1

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

28. Investments in subsidiaries and associates (Continued)

c) Non-controlling interests

	2025	2024
	Shs'000	Shs'000
As at 1 January	10,577,790	11,462,769
Profit for the year	1,299,960	1,176,967
Other comprehensive income	291,294	(2,061,946)
Dividend paid to non-controlling interests	(87,316)	-
Deconsolidation after sale of Burundi subsidiary	(146,827)	-
As at 31 December	11,934,901	10,577,790

d) Significant restrictions

There are no restrictions on the Group's ability to access or use assets and settle liabilities in the countries the Group operates in.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

28. Investments in subsidiaries and associates (Continued)

e) Summarised financial information on subsidiaries with material non-controlling interests

Summarised balance sheet	Diamond Trust Bank Tanzania PLC		Diamond Trust Bank Uganda Limited		Diamond Trust Bank Burundi S.A.		Total
	2025	2024	2025	2024	2025	2024	
	Shs' 000	Shs' 000	Shs' 000	Shs' 000	Shs' 000	Shs' 000	Shs' 000
NCI Percentage	34.32%	34.32%	32.82%	32.82%	16.33%		
Total assets	110,333,011	95,035,002	104,896,164	100,272,576	-	215,229,175	199,941,203
Liabilities							
Equity attributable to owners of the Bank	91,462,087	79,443,769	88,263,318	85,056,337	-	179,725,405	167,704,655
Non controlling interests	12,394,423	10,240,322	11,174,446	10,222,727	-	23,568,869	21,658,757
Total equity	6,476,501	5,350,911	5,458,400	4,993,512	-	11,934,901	10,577,791
	18,870,924	15,591,233	16,632,846	15,216,239	-	35,503,770	32,236,548
Total liabilities and equity	110,333,011	95,035,002	104,896,164	100,272,576	-	215,229,175	199,941,203
Summarised statement of profit or loss							
Total operating income	8,350,747	8,604,427	6,961,093	6,754,261	-	15,311,840	15,703,988
Profit before tax	4,420,266	3,645,614	978,734	771,873	-	5,399,000	4,532,435
Income tax expense	(1,281,810)	(1,129,017)	(35,981)	157,540	-	(1,317,791)	(1,035,805)
Profit for the year	3,138,456	2,516,597	942,753	929,413	-	4,081,209	3,496,630
Total profit allocated to non-controlling interests	1,077,118	863,696	309,383	305,005	(86,541)	1,299,960	1,176,967
Total comprehensive income allocated to non-controlling interests	1,212,921	(4,888)	464,874	(829,523)	(86,541)	1,591,254	(884,979)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

28. Investments in subsidiaries and associates (Continued)

Summarised financial information on subsidiaries with material non-controlling interests (continued)

Summarised Statement of cash flows

	Diamond Trust Bank Tan- zania PLC		Diamond Trust Bank Uganda Limited		Diamond Trust Bank Bu- rundi S.A.	
	2025	2024	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Cash generated from/ (used in)operations	8,171,324	6,371,533	16,312,476	3,644,466	-	(138,136)
Net cash used in investing activities	(153,546)	(389,610)	(383,294)	(546,961)	-	(8,487)
Net cash used in financing activities	(567,149)	(430,077)	(442,074)	(406,978)	-	(4,217)
Net increase/(decrease) in cash and cash equivalents	7,450,629	5,551,846	15,487,108	2,690,527	-	(150,840)
Cash and cash equivalents at start of year	17,309,442	15,188,754	14,437,566	11,515,116	-	460,166
Exchange differences in cash and cash equivalents	(4,811,166)	(3,431,158)	(4,339,299)	231,923	-	(95,185)
Cash and cash equivalents at end of year	19,948,905	17,309,442	25,585,375	14,437,566	-	214,141

29. Deposits from customers

	Group		Bank	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
Current and demand deposits	183,100,771	165,448,718	117,203,631	104,296,574
Savings accounts	64,991,715	58,748,599	27,508,138	25,278,704
Fixed and call deposit accounts	261,046,729	223,019,496	199,251,297	164,496,781
	509,139,215	447,216,813	343,963,066	294,072,059
Current	504,623,842	441,154,142	343,692,802	293,964,100
Non-Current	4,515,373	6,062,671	270,264	107,959
	509,139,215	447,216,813	343,963,066	294,072,059

30. Deposits and balances from banking institutions

Deposits due to banking institutions	19,877,462	15,099,602	12,267,034	9,683,769
Current account balances due to banking institutions	1,158,162	2,043,555	523,332	1,412,800
	21,035,624	17,143,157	12,790,366	11,096,569

All deposits due to banking institutions are due within one year.

31. Other liabilities

Due to subsidiary company	-	-	79,560	79,560
Outstanding bankers' cheques	121,885	108,188	75,211	75,570
Accrued expenses	1,079,379	1,773,004	606,821	458,110
Unearned income on funded and non funded income	631,501	583,714	349,280	261,482
Refundable deposits and revenue collected on behalf of Revenue Authorities	1,249,480	1,362,679	14,642	15,046
Other payables	5,881,003	4,296,279	3,858,526	2,780,967
	8,963,248	8,123,864	4,984,040	3,670,735

Other liabilities are classified as current liabilities

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

32. Borrowings

a) Subordinated debt

i) International Finance Corporation (IFC)

	Group		Bank	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
At start of year	-	248,381	-	-
Accrued interest	-	7,170	-	-
Paid during the year	-	(225,066)	-	-
Translation difference	-	(30,485)	-	-
	-	-	-	-

ii) African Development Bank (AfDB)

At start of year	1,685,161	3,411,669	1,685,161	3,411,669
Accrued interest	88,603	223,344	88,603	223,344
Paid during the year	(1,214,584)	(1,510,797)	(1,214,584)	(1,510,797)
Translation difference	(1,235)	(439,055)	(1,235)	(439,055)
	557,945	1,685,161	557,945	1,685,161
Total - Subordinated debts	557,945	1,685,161	557,945	1,685,161

b) Senior loan

i) International Finance Corporation (IFC)

At start of year	-	15,734,103	-	15,734,103
Accrued interest	-	882,235	-	882,235
Paid during the year	-	(13,757,161)	-	(13,757,161)
Translation difference	-	(2,859,177)	-	(2,859,177)
	-	-	-	-

ii) Deutsche Investitions- und Entwicklungsgesellschaft (DEG)

At start of year	-	729,461	-	729,461
Accrued interest	-	20,872	-	20,872
Paid during the year	-	(678,888)	-	(678,888)
Translation difference	-	(71,445)	-	(71,445)
	-	-	-	-

iii) African Development Bank (AfDB)

At start of year	1,681,011	3,393,703	1,681,011	3,393,703
Accrued interest	68,617	192,178	68,617	192,178
Paid during the year	(1,194,423)	(1,468,086)	(1,194,423)	(1,468,086)
Translation difference	(453)	(436,784)	(453)	(436,784)
	554,752	1,681,011	554,752	1,681,011

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

32. Borrowings (Continued)

iv) Agence Francaise Development (AFD)

	Group		Bank	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
At start of year	294,358	450,030	-	-
Accrued interest	17,290	25,827	-	-
Paid during the year	(93,339)	(101,641)	-	-
Translation difference	4,221	(79,858)	-	-
	222,530	294,358	-	-
Total - Subordinated debts	777,282	1,975,369	554,752	1,681,011

c) Mortgage Finance Kenya Mortgage Refinance Corporation (KMRC)

At start of year	-	-	-	-
Additions during the year	174,803	-	174,803	-
Accrued interest	7,965	-	7,965	-
Paid during the year	(17,209)	-	(17,209)	-
Total - Trade finance	165,559	-	165,559	-

d) Administered funds

Bank of Uganda	4,229	6,921	-	-
Total - Borrowings	1,505,015	3,667,451	1,278,256	3,366,172

Expected to be paid:

Within 1 year - current	1,198,494	2,442,823	1,112,695	2,351,716
After 1 year - non-current	306,521	1,224,628	165,561	1,014,456
	1,505,015	3,667,451	1,278,256	3,366,172

Description of Borrowings

i) Subordinated debts Diamond Trust Bank Kenya Limited

As at 31 December 2025, Diamond Trust Bank Kenya Limited has one long-term subordinated debt facility amounting to US\$ 4.3 million (2024:US\$ 12.5 million raised from the African Development Bank (AfDB). The unsecured facility was issued in October 2018, with a tenure of 8 years and matured in February 2026

ii) Senior loans Diamond Trust Bank Kenya Limited

The bank has a 8 year loan from AFDB with a total exposure at year end of US\$ 4.3 million (2024-US\$ 12.5 million). The loan matured in February 2026.

Diamond Trust Bank Uganda Limited

On 11 May 2017, the Bank received US\$ 5 million from AFD (Agence Française De Développement) for 11.2 years. The outstanding balance as at 31 December 2024 was US\$ 2.2 million (2023-US\$ 2.8 million). The loan is referenced to the 6 months Term Secured Overnight Financing Rate (SOFR).

iii) Administered funds

In 2022, the Government of Uganda (GoU) through Bank of Uganda (BOU) introduced the Small Business Recovery Fund (SBRF) to provide loans to small businesses that have been adversely affected by the COVID-19 pandemic and have suffered financial distress but show potential for recovery if provided with financial support. The funding is done on a 50 – 50 risk sharing basis where the 50% funding by GoU is at zero interest rate with maximum loan amount set at UShs 200 million (Kshs 7 million) for a maximum tenure of 4 years for the credit facilities to eligible borrowers.

iv) Mortgage finance - Kenya Mortgage Refinance Corporation (KMRC) Loan

In 2025 the bank drew down a loan from KMRC to finance mortgage loans at favourable rates. The loan is at a fixed rate.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

33. Share capital and reserves

Share capital and Share premium

	Number of shares	Share capital	Share premium	Total
	(Thousands)	Shs'000	Shs'000	Shs'000
1 January and 31 December 2024	279,602	1,118,409	9,006,569	10,124,978
1 January and 31 December 2025	279,602	1,118,409	9,006,569	10,124,978

The total authorised number of ordinary shares is 300,000,000 (2024: 300,000,000) with a par value of Shs 4 per share. The issued shares as at 31 December 2025 are 279,602,220 (2024: 279,602,220) and are fully paid.

Ordinary shares rank equally with regard to residual assets. The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to attend and vote at the general meetings of the company.

Consolidated statement of changes in other reserves

Notes	Revaluation surplus	Fair value reserve on government securities/ equity investments	Translation reserve	Other reserves	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Year ended 31 December 2024					
At start of year	1,895,775	(7,995,001)	4,739,824	(182,928)	(1,542,330)
Excess depreciation	(38,392)	-	-	-	(38,392)
Deferred tax on transfer of excess depreciation	6,956	-	-	-	6,956
Net gain from changes in fair value of government securities	-	4,926,595	-	-	4,926,595
Translation adjustment	-	-	(4,001,307)	-	(4,001,307)
Legal and public investment reserve	-	-	-	9,219	9,219
At end of year	1,864,339	(3,068,406)	738,517	(173,709)	(639,259)
Year ended 31 December 2025					
At start of year	1,864,339	(3,068,406)	738,517	(173,709)	(639,259)
Deconsolidation of DTB Burundi	(174,540)	-	585,652	(199,848)	211,264
Excess depreciation	(38,039)	-	-	-	(38,039)
Deferred tax on transfer of excess depreciation	6,850	-	-	-	6,850
Net loss from changes in fair value of government securities	-	11,571,037	-	-	11,571,037
Elimination of revaluation related to sale of land previously held for sale	(520,320)	-	-	-	(520,320)
Translation adjustment	-	-	1,740,008	-	1,740,008
At end of year	1,138,290	8,502,631	3,064,177	(373,557)	12,331,541

(i) These differences arise on translation of the financial statements of the foreign subsidiaries at the end of period exchange rates.
(ii) The prudential guidelines in Burundi require banks to set aside 5% of their previous year's retained earnings in a reserve that is not distributable to shareholders (legal reserve). Further the law requires all Financial Institutions to set aside a reserve equivalent to 30% of the Bank's profit after tax as investment reserve intended to finance the public infrastructure of large scale after ten years .

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS (CONTINUED)

34. Other reserves- Attributable to owners of the bank (Continued)

Bank statement of changes in reserves

Other reserves	Revaluation surplus	Fair value reserve on investments	Total
	Shs'000	Shs'000	Shs'000
Year ended 31 December 2024			
At start of year	1,705,075	(8,679,070)	(6,973,995)
Fair value changes on valuation of Government securities	-	5,211,585	5,211,585
Transfer of excess depreciation	(30,408)	-	(30,408)
Deferred tax on transfer of excess depreciation	4,561	-	4,561
At end of year	1,679,228	(3,467,485)	(1,788,257)
Year ended 31 December 2025			
At start of year	1,679,228	(3,467,485)	(1,788,257)
Fair value changes on valuation of Government securities	-	11,086,815	11,086,815
Transfer of excess depreciation	(30,408)	-	(30,408)
Deferred tax on transfer of excess depreciation	4,561	-	4,561
Elimination of revaluation related to sale of land previously held for sale	(520,320)	-	(520,320)
At end of year	1,133,061	7,619,330	8,752,391

Other reserves represent surplus on the revaluation of land and buildings net of income tax and the fair value changes on equity investment at fair value through OCI. The reserves are non distributable.

a) Revaluation surplus on property

Revaluation reserve is made up of the periodic adjustments arising from the fair valuation of land and buildings, net of the related deferred taxation. The reserve is not available for distribution to the shareholders.

b) Revaluation surplus on property

The reserves represent exchange differences arising from translation of the net assets of the Group's foreign operation in Tanzania, Uganda and Burundi from their functional currency to the Group's presentation currency (Kenya Shillings). These differences are recognised directly through other comprehensive income and accumulated in the translation reserve.

c) Retained earnings

This represents undistributed profits from current and previous years.

d) Statutory credit loss reserve

Where impairment losses required by prudential guidelines issued by the banking regulators exceed those computed under the IFRS Accounting Standards , the excess is recognised as a statutory reserve and accounted for as an appropriation from revenue reserves. The reserve is not available for distribution to the shareholders.

e) Proposed dividend

Dividends on ordinary shares are charged to equity in the period in which they are declared. Proposed dividends are shown as a separate component of equity until approved by the shareholders at the Annual General Meeting.

f) Fair value reserve on investments

Fair value reserve on investments is made up of the periodic adjustments arising from the fair valuation of debt and equity investment at fair value through other comprehensive income. The reserve is not available for distribution to the shareholders.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

35. Cash flows generated from /(used in) operating activities

	Notes	Group		Bank	
		2025	2024	2025	2024
		Shs'000	Shs'000	Shs'000	Shs'000
Cash generated from/(used in) operating activities			Restated		Restated
Profit before income tax		13,934,108	11,070,410	8,556,763	6,556,307
Adjustments for:					
Items relating to discontinued operations	11	171,107	(131,177)	-	-
Depreciation of property and equipment	22	1,182,584	1,153,176	668,866	603,798
Depreciation of right of use assets	24	680,586	603,120	272,152	258,823
Amortisation of intangible assets	21	634,051	535,606	383,691	301,384
Interest income	5	(60,997,356)	(59,311,745)	(43,100,944)	(40,936,903)
Interest expense on customer and bank deposits	6	25,321,804	29,203,494	18,849,427	22,056,722
Dividend income		-	-	(316,204)	(180,000)
Interest expense on lease liability	6	572,442	517,025	401,438	364,302
Gain/(loss) on modified assets		19,614	99,572	10,075	(17,225)
Gain on modification of right of use/lease liability		(2,088)	(497)	(110,228)	(124,087)
Gain on derecognition right of use/lease liability		(319,180)	(139,526)	-	-
Gain on disposal of property and equipment	7	(2,470)	(4,662)	(2,008)	61
Interest on borrowings		220,329	1,351,626	165,185	1,318,629
Exchange rate on borrowings		2,533	(3,916,804)	(1,688)	(3,806,461)
Credit impairment charge (excluding recoveries of loans previously written off)	19	9,956,003	8,688,849	8,263,951	6,016,757
Gain on sale of treasury bonds	7	(731,650)	(7,318)	(731,650)	(7,318)
ECL on deposits with other banks		(4,566)	(804)	(1,189)	2,725
Operating profit before movements in operating assets and liabilities		(9,362,149)	(10,289,655)	(6,692,363)	(7,592,486)
Changes in operating assets and liabilities:					
- Government securities		323,817	27,694,940	(10,891,209)	(304,363)
- loans and advances to customers		(43,879,959)	15,580,009	(36,344,445)	4,822,239
- derivative assets		466,432	(431,797)	445,129	(412,527)
- other assets		40,148	353,069	(18,481)	683,128
- Corporate Bond		(911,578)	-	-	-
- deposits from customers		61,337,009	(39,961,445)	50,693,452	(4,132,304)
- other liabilities		839,384	746,710	1,313,305	(45,323)
- derivative liabilities		(55,230)	(327,881)	(62,700)	(326,640)
Cash generated/(used in) from operating activities		8,797,874	(6,636,050)	(1,557,312)	(7,308,276)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

36. Off balance sheet financial instruments, contingent liabilities and commitments

In common with other banks, the Group conducts business involving acceptances, guarantees, performance bonds and letters of credit. The majority of these facilities are offset by corresponding obligations of third parties.

	Group		Bank	
	2025	2024	2025	2024
Off balance sheet liabilities	Shs'000	Shs'000	Shs'000	Shs'000
Acceptances and letters of credit	51,966,345	48,595,931	49,057,932	44,120,606
Guarantees and performance bonds	21,765,102	20,635,793	17,257,420	16,288,138
	73,731,447	69,231,724	66,315,352	60,408,744

Nature of contingent liabilities

An acceptance is an undertaking by a Group to pay a bill of exchange drawn on a customer. The Group expects the acceptances to be presented and reimbursement by the customer is normally immediate. Letters of credit commit the bank to make payments to third parties, on production of documents, which are subsequently reimbursed by customers.

Guarantees are generally written by a bank to support performance by a customer to third parties. The Group will only be required to meet these obligations in the event of the customers default.

(a) Commitments

	Group		Bank	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
Undrawn credit lines and other commitments to lend	18,682,179	32,372,920	15,283,315	24,465,994
Capital commitments	794,107	864,137	743,977	629,220
	19,476,286	33,237,057	16,027,292	25,095,214

Nature of commitments

Commitments to lend are agreements to lend to customers in future subject to certain conditions. Such commitments are normally made for a fixed period.

b) Foreign exchange derivatives

The Bank's principal exchange rate-related contracts are forward foreign exchange contracts, options and currency swaps. Forward foreign exchange contracts are agreements to buy or sell a specified quantity of foreign currency, usually on a specified future date at an agreed rate. A currency swap generally involves the exchange, or notional exchange, of equivalent amounts of two currencies and a commitment to exchange in-terest periodically until the principal amounts are re-exchanged on a future date. As compensation for assuming the option risk, the option writer generally receives a premium at the start of the option period.

The Bank trades foreign exchange forwards and swaps (forward contracts). These are binding contracts locking in the exchange rate for the purchase or sale of a currency on a future date. The Bank's forward book is marked to market on a daily basis.

	Notional Contract Amount	Carrying value assets	Carrying value liabilities
Group	Shs'000	Shs'000	Shs'000
2025			
Foreign exchange forward contracts	14,167,601	38,652	53,533
Foreign exchange spot transactions	1,252,433	1,075	5
	15,420,034	39,727	53,538
2024			
Foreign exchange forward contracts	18,318,760	504,554	107,076
Foreign exchange spot transactions	3,423,315	1,605	1,692
	21,742,075	506,159	108,768

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

36. Off balance sheet financial instruments, contingent liabilities and commitments (Continued)

b)Foreign exchange derivatives (continued)

	Notional Contract Amount	Carrying value assets	Carrying value liabilities
Bank	Shs'000	Shs'000	Shs'000
2025			
Foreign exchange forward contracts	11,597,922	38,365	46,063
Foreign exchange spot transactions	457,408	1,075	5
	12,055,330	39,440	46,068
2024			
Foreign exchange forward contracts	18,006,719	482,964	107,076
Foreign exchange spot transactions	454,514	1,605	1,692
	18,461,233	484,569	108,768

37. Business segments information

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors in order to allocate resources to the segment and to assess its performance. Information reported to the Group's Board for the purposes of resource allocation and assessment of segment performance is focused on geographical regions.

The reportable operating segments derive their revenue primarily from banking services including current, savings and deposits accounts, credit cards, asset finance, money transmission, treasury and commercial lending. The parent Bank also operates a fully owned Bancassurance intermediary in Kenya. The assets and profit of the intermediary are not material and make up less than 10% of the combined assets and profit of the Group. The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2.

For management and reporting purposes, Diamond Trust Bank is organised into the following business segments;

- Diamond Trust Bank Tanzania PLC, which became a subsidiary company in June 2007, with operations in Tanzania.
- Diamond Trust Bank Uganda Limited, which became a subsidiary company in October 2008, with operations in Uganda. Network Insurance Agency Limited, which is a wholly owned subsidiary of Diamond Trust Bank Uganda Limited, operates in Uganda.
- Diamond Trust Bank Burundi S.A., which was set up as a subsidiary company in November 2008, with operations in Burundi. The subsidiary was disposed off with effect from 31 December 2025.
- Kenya is the home country of the parent Bank and its fully owned Bancassurance intermediary, Diamond Trust Bancassurance Intermediary Limited.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

37. Business segments information (Continued)

a) Financial summary (Continued)

The Group did not have any single customer who represented more than 10% of its revenues. The following is the segment information:

At 31 December 2025	Kenya	Tanzania	Uganda	Burundi	Total	Consolidation adjustments	Group
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Continuing operations							
Interest income from external customers	43,104,189	8,623,931	9,269,236	-	60,997,356	-	60,997,356
Other income from external customers	6,396,447	2,320,153	1,817,762	-	10,534,362	-	10,534,362
Total income from external customers	49,500,636	10,944,084	11,086,998	-	71,531,718	-	71,531,718
Gain/(loss) on modified assets	(10,076)	-	(9,538)	-	(19,614)	-	(19,614)
Inter-segment income	11,179	2,301	324	-	13,804	(13,804)	-
Total income	49,501,739	10,946,385	11,077,784	-	71,525,908	(13,804)	71,512,104
Interest expense from external customers	(19,402,246)	(2,595,638)	(4,116,691)	-	(26,114,575)	-	(26,114,575)
Other expenses – external	(12,129,917)	(3,579,364)	(4,575,847)	-	(20,285,128)	-	(20,285,128)
Inter-segment expenses	(13,804)	-	-	-	(13,804)	13,804	-
Depreciation and amortisation	(1,327,016)	(531,131)	(639,074)	-	(2,497,221)	-	(2,497,221)
Impairment losses	(8,093,648)	180,014	(767,438)	-	(8,681,072)	-	(8,681,072)
Total expenses	(40,966,631)	(6,526,119)	(10,099,050)	-	(57,591,800)	13,804	(57,577,996)
Segment profit before tax	8,535,108	4,420,266	978,734	-	13,934,108	-	13,934,108
Income tax expense	(1,376,508)	(1,281,810)	(35,981)	-	(2,694,299)	-	(2,694,299)
Segment profit after tax	7,158,600	3,138,456	942,753	-	11,239,809	-	11,239,809
Discontinued operations	-	-	-	(532,610)	(532,610)	-	(532,610)
(Loss)/profit from discontinued operations net of tax	-	-	-	(532,610)	(532,610)	-	(532,610)
Profit for the year	7,158,600	3,138,456	942,753	(532,610)	10,707,199	-	10,707,199
Segment assets	449,374,877	110,333,011	104,896,164	-	664,604,052	(5,485,574)	659,118,478
Segment liabilities	366,983,023	91,462,087	88,263,318	-	546,708,428	(628,918)	546,079,510

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS (CONTINUED)

37. Business segments information (Continued)

a) Financial summary (Continued)

At 31 December 2024	Kenya	Tanzania	Uganda	Continuing operations	Discontinued Operations Burundi	Total	Consolidation adjustments	Group
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Interest income from external customers	40,930,671	8,278,774	10,104,857	59,314,302	381,045	59,695,347	-	59,695,347
Other income from external customers	7,244,275	2,612,141	1,842,578	11,698,994	51,961	11,750,955	-	11,750,955
Total income from external customers	48,174,946	10,890,915	11,947,435	71,013,296	433,006	71,446,302	-	71,446,302
Share of results of associate after tax	-	-	-	-	14,837	14,837	-	14,837
Gain/(loss) on modified assets	17,224	(31,376)	(85,420)	(99,572)	-	(99,572)	-	(99,572)
Inter-segment income	27,231	2,301	17,086	46,618	2,557	49,175	(49,175)	-
Total income	48,219,401	10,861,840	11,879,101	70,960,342	450,400	71,410,742	(49,175)	71,361,567
Interest expense from external customers	(23,839,220)	(2,257,153)	(5,124,239)	(31,220,612)	(83,287)	(31,303,899)	-	(31,303,899)
Other expenses – external	(10,556,463)	(3,988,572)	(4,388,617)	(18,933,652)	(194,419)	(19,128,071)	-	(19,128,071)
Inter-segment expenses	(41,338)	(260)	(601)	(42,199)	(6,976)	(49,175)	49,175	-
Depreciation and amortisation	(1,166,304)	(578,147)	(547,451)	(2,291,902)	(27,096)	(2,318,998)	-	(2,318,998)
Impairment losses	(5,963,153)	(392,094)	(1,046,320)	(7,401,567)	(23,674)	(7,425,241)	-	(7,425,241)
Total expenses	(41,566,478)	(7,216,226)	(11,107,228)	(59,889,932)	(335,452)	(60,225,384)	49,175	(60,176,209)
Segment profit before tax	6,652,923	3,645,614	771,873	11,070,410	114,948	11,185,358	-	11,185,358
Income tax expense	(1,330,144)	(1,129,017)	157,540	(2,301,621)	(64,328)	(2,365,949)	-	(2,365,949)
Segment profit after tax	5,322,779	2,516,597	929,413	8,768,789	50,620	8,819,409	-	8,819,409
Segment assets	381,759,083	95,035,002	100,272,576	577,066,661	4,633,625	581,700,286	(7,813,372)	573,886,914
Segment liabilities	316,145,409	79,443,769	85,056,337	480,645,515	3,204,549	483,850,064	(2,319,812)	481,530,252

NOTES TO THE CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS (CONTINUED)

37. Business segments information (Continued)

(b) Additions to non current assets

	Kenya	Tanzania	Uganda	Burundi	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
At 31 December 2025					
Property and equipment	717,815	124,097	363,082	-	1,204,994
Intangible assets- software	350,069	4,851	21,177	-	376,097
	1,067,884	128,948	384,259	-	1,581,091
At 31 December 2024					
Property and equipment	658,883	182,383	327,793	16,289	1,185,348
Intangible assets- software	899,410	147,180	227,949	3,296	1,277,835
	1,558,293	329,563	555,742	19,585	2,463,183

(c) Revenue by products

An analysis of revenue by product from external customers is presented below:

	Kenya	Tanzania	Uganda	Total
	Shs'000	Shs'000	Shs'000	Shs'000
Interest income				
Loans and advances	22,349,001	6,365,013	4,648,160	33,362,174
Government securities at armortised cost	4,776,267	1,012,305	-	5,788,572
Government securities at FVOCI	14,393,111	384,533	3,620,092	18,397,736
Placement and bank balances	1,583,185	864,381	1,001,308	3,448,874
	43,101,564	8,626,232	9,269,560	60,997,356
Interest expense				
Deposits from customers	18,247,907	2,491,566	3,757,491	24,496,964
Deposits due to banking institutions	587,716	11,329	225,795	824,840
Interest from borrowings and lease liability	566,623	92,743	133,405	792,771
	19,402,246	2,595,638	4,116,691	26,114,575
Net interest income	23,699,318	6,030,594	5,152,869	34,882,781
Non interest income				
Fee and commission income	3,924,304	1,212,831	1,781,727	6,918,862
Foreign exchange income	1,224,818	1,053,229	-	2,278,047
Other income	1,247,325	54,093	36,035	1,337,453
	6,396,447	2,320,153	1,817,762	10,534,362

An analysis of revenue by product from external customers is presented below:

	Kenya	Tanzania	Uganda	Continuing operations	Discontinued operations Burundi	Total
At 31 December 2024	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Interest income						
Loans and advances	22,351,209	5,807,017	4,007,618	32,165,844	309,900	32,475,744
Government securities at armotised cost	8,310,396	1,636,523	-	9,946,919	67,438	10,014,357
Government securities at FVOCI	9,502,876	382,935	5,796,663	15,682,474	-	15,682,474
Placement and bank balances	763,633	452,299	300,576	1,516,508	6,264	1,522,772
	40,928,114	8,278,774	10,104,857	59,311,745	383,602	59,695,347

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

37. Business segments information (Continued)

(c) Revenue by products (Continued)

	Kenya	Tanzania	Uganda	Continuing operations	Discontinued operations Burundi	Total
At 31 December 2024	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Interest expense						
Deposits from customers	19,293,014	2,152,132	3,772,800	25,217,946	80,098	25,298,044
Deposits due to banking institutions	2,714,533	14,739	1,256,276	3,985,548	6,378	3,991,926
Interest from borrowings and lease liability	1,823,836	90,542	95,764	2,010,142	3,787	2,013,929
	23,831,383	2,257,413	5,124,840	31,213,636	90,263	31,303,899
Net interest income	17,096,731	6,021,361	4,980,017	28,098,109	293,339	28,391,448
Non interest income						
Fee and commission income	3,815,152	1,114,159	1,337,043	6266354	42,328	6,308,682
Foreign exchange income	2,965,189	1,368,410	404,395	4737994	9,377	4,747,371
Other income	463,934	129,572	101,140	694646	256	694,902
	7,244,275	2,612,141	1,842,578	11,698,994	51,961	11,750,955

38. Analysis of cash and cash equivalents as shown in the statement of cash flows

	Group		Bank	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
		Restated		Restated
Cash and balances with the central banks (Note 15)	78,327,382	45,959,773	40,755,687	14,962,662
Deposits and balances due from banking institutions (Note 17)	33,031,228	30,838,000	4,858,287	12,451,824
Deposits and balances due to banking institutions (Note 30)	(21,035,624)	(17,143,157)	(12,790,366)	(11,096,569)
	90,322,986	59,654,616	32,823,608	16,317,917

For purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 91 days maturity from the date of acquisition, including: cash and balances with Central Banks, treasury bills and bonds and amounts due from other banks.

39. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operation decisions, or one other party controls both. In the ordinary course of business, the Bank enters into various transactions with related parties which are carried out in accordance with Organisation of Economic Cooperation and Development (OECD) Guidelines, local laws and regulations and with requisite Board approval. A number of banking transactions are entered into with related parties' i.e. key management staff, Directors, their associates and companies associated with Directors in the normal course of business, under terms that are no more favourable than those arranged with other employees. These include loans, deposits and foreign currency transactions. The outstanding balances at the reporting date with related parties and related-party transactions conducted during the reporting period are as follows:

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

39. Related party transactions (Continued)

	Group		Bank	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
a) Subsidiaries				
Amounts due to:				
Other Group companies (Included in deposits due to banking institutions and borrowed funds)	-	-	528,746	2,094,178
Interest expense paid on amounts due to Group Companies	-	-	13,456	41,337
Amounts due from:				
Other Group companies (Included in deposits due from banking institutions and borrowed funds)	-	-	8,084	8,997
Interest income earned from amounts due from Group Companies	-	-	366	7,838
All deposits, placements and borrowings to subsidiaries were made in the ordinary course of business, were made on substantially the same terms, including interest rates as those prevailing at the same time for comparable transactions.				
b) Directors				
Advances to customers include loans to directors, loans to companies controlled by directors and their associates as follows:				
Loans to directors:				
At start of year	25,475	22,097	18,743	12,414
Advanced during the year	410	18,217	2	16,086
Repaid during the year	(16,380)	(13,570)	(9,860)	(9,757)
Translation adjustment	(75)	(1,269)	-	-
At end of year	9,430	25,475	8,885	18,743
Interest income earned from directors loans	1,495	1,660	1,089	960

All loans to Directors, (a) were made in the ordinary course of business, (b) were made on substantially the same terms, including interest rates and collateral, as those prevailing at the same time for comparable transactions with other persons and (c) did not involve more than a normal risk of collectability or present other unfavourable features. Expected credit losses have been computed on the same basis as other facilities to other bank customers. The loans are in the performing loans category.

	Group		Bank	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
Deposits by directors:				
At start of year	847,607	948,560	159,055	749,008
Net movement during the year	(187,798)	(14,215)	70,318	(589,953)
Translation adjustment	(75)	(86,738)	-	-
At end of year	659,734	847,607	229,373	159,055
Interest paid on directors' deposits	773	9,922	690	9,858

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

39. Related party transactions (Continued)

c) Other disclosures

	Group		Bank	
	2025	2024	2025	2024
Advances to other related parties				
- Advances to companies related through control by a common shareholder, controlled by directors or their families	1,906,259	1,955,851	1,070,432	1,280,155
- Contingent liabilities including letters of credit and guarantees issued for the account of companies related through shareholding, common directorship and companies controlled by directors or their families	610,204	2,498,683	605,324	2,437,000
- Interest income earned from related companies	344,227	217,877	227,568	128,067
Deposits with other related parties				
- Deposits by companies related through common shareholding, common directorship and companies controlled by directors or their families	19,077,305	17,827,487	5,387,190	5,015,131
- Interest expense incurred on deposits by related companies	1,096,893	1,229,098	258,384	491,364

All loans related parties, (a) were made in the ordinary course of business, (b) were made on substantially the same terms, including interest rates and collateral, as those prevailing at the same time for comparable transactions with other persons and (c) did not involve more than a normal risk of collectability or present other unfavourable features. Expected credit losses have been computed on the same basis as other facilities to other bank customers. The loans are in the performing loans category.

	Group		Bank	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
Key management compensation				
Salaries and other short-term employment benefits	1,526,323	1,459,128	859,539	698,457
Termination benefits	99,895	137,038	40,072	40,004
	1,626,218	1,596,166	899,611	738,461
Director's remuneration				
- fees for services as a director	81,324	76,375	45,320	43,250
- other emoluments (included in key management compensation above)	421,490	281,436	320,638	143,510
	502,814	357,811	365,958	186,760

40. Assets pledged as security

As at 31 December 2025, there were no assets pledged by the Group to secure liabilities and there were no secured Group liabilities (2024: Nil)

41. Subsequent events

The directors are not aware of events after the reporting date that require disclosure or adjustment to the financial statement as at the date of this report.

The Middle East war is not expected to have a significant effect on the Group and company results and balance sheet balances recognised as at 31 December 2025, however the spillover effects of the conflict may impact the future results. The Group will continue to proactively identify opportunities to optimise its operating model, ensuring agility in responding to evolving market demands.



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ABBREVIATIONS AND ACRONYMS

A	4IR AFAWA AGF AGM AI ALCO AML	Fourth Industrial Revolution Affirmative Finance Action for Women in Africa African Guarantee Fund Annual General Meeting Artificial Intelligence Asset Liability Committee Anti-money Laundering
B	B2B2C BaaS BACC BCC BDMC BITC BNHRC BoU BRI BRMC BSC	Business to Business to Customer Banking as a Service Board Audit and Compliance Committee Board Credit Committee Business Development Management Committee Board Innovation and Technology Committee Board Nomination and Human Resources Committee Bank of Uganda Belt and Road Initiative Board Risk Management Committee Board Strategy Committee
C	CBK CES CFC CMA CSAT	Central Bank of Kenya Customer Effort Score Combating of Financial Crime Capital Markets Authority Customer Satisfaction Score
D	DEI DPO DTB DTBB DTBI DTBK DTBT DTBU	Diversity, Equity and Inclusion Data Protection Officer Diamond Trust Bank Diamond Trust Bank Burundi Diamond Trust Bancassurance Intermediary Diamond Trust Bank Kenya Diamond Trust Bank Tanzania Diamond Trust Bank Uganda
E	EACOP EDD ERM ERMF ESG ESMS ESSD EVP ExCo	East Africa Crude Oil Pipeline Enhanced Due Diligence Enterprise Risk Management Enterprise Risk Management Framework Environmental, Social and Governance Environmental and Social Management System Environmental and Social Due Diligence Employee Value Proposition Executive Committee
F	FDI FYDP III	Foreign Direct Investment Five-year Development Plan III (Tanzania)
G	GDP GDPR GRI	Gross Domestic Product General Data Protection Regulation Global Reporting Initiative
H	HRMC	Human Resource Management Committee
I	ICAAP ICPAK ICT IFC IFRS S1 IFRS S2 IMEC IVR	Internal Capital Adequacy Assessment Process The Institute of Certified Public Accountants of Kenya Information and Communications Technology International Finance Corporation First-time Adoption of International Financial Reporting Standards International Financial Reporting Standard 2 (Share-based Payment) Indian-Middle East-European Corridor Interactive Voice Response
K	KES KBA KPI	Kenyan Shilling Kenya Bankers' Association Key Performance Indicator
M	MCC MSMEs MTS	Management Credit Committee Micro, Small and Medium-sized Enterprises Money Transfer Service
N	NPL NPS NSE	Non-performing Loan Net Promotor Score Nairobi Securities Exchange
O	OECD OPCO ORM	Organisation for Economic Cooperation and Development Operational Subcommittee Operational Risk Management
P	PDIC PEP	Product Development and Innovation Committee Politically Exposed Person
R	RAS RMCC RPA	Risk Appetite Statement Risk Management Compliance Committee Robotic Process Automation
S	SME SSA SUSCO	Small and Medium Enterprises Sub-Saharan Africa Sustainability Committee
T	TCFD TZS	Task Force on Climate-related Financial Disclosures Tanzanian Shilling
U	UFAA UGX UNEP FI UN SDGs USD	Unclaimed Financial Assets Authority Ugandan Shilling United Nations Environment Programme Finance Initiative United Nations Sustainable Development Goals United States Dollar
W	WWF	World Wide Fund for Nature
V	VUCA	Volatile, Uncertain, Complex and Ambiguous

GRI CONTENT INDEX

Statement of use	DTB has reported the information cited in this GRI content index for the period 1 January to 31 December 2025 with reference to the GRI Standards.		
GRI 1 used	GRI 1: Foundation 2021		
GRI STANDARD	DISCLOSURE	LOCATION	PAGE
GRI 2: General Disclosures 2021	2-1 Organisational details	About us	11
	2-2 Entities included in the organisation's sustainability reporting	About our integrated report	5
	2-3 Reporting period, frequency and contact point	About our integrated report	5
	2-5 External assurance	About our integrated report	5
	2-6 Activities, value chain and other business relationships	About us	12-13
	2-7 Employees	Our Impact Network	76
	2-8 Workers who are not employees	Our Impact Network	76
	2-9 Governance structure and composition	Guiding our Socio-economic Value Creation	86
	2-10 Nomination and selection of the highest governance body	Guiding our Socio-economic Value Creation	87
	2-11 Chair of the highest governance body	Guiding our Socio-economic Value Creation	87
	2-12 Role of the highest governance body in overseeing the management of impacts	Guiding our Socio-economic Value Creation	86
	2-13 Delegation of responsibility for managing impacts	Guiding our Socio-economic Value Creation	86
	2-14 Role of the highest governance body in sustainability reporting	Guiding our Socio-economic Value Creation	86
	2-15 Conflicts of interest	Guiding our Socio-economic Value Creation	86
	2-17 Collective knowledge of the highest governance body	Guiding our Socio-economic Value Creation	86
	2-18 Evaluation of the performance of the highest governance body	Guiding our Socio-economic Value Creation	87
	2-19 Remuneration policies	Guiding our Socio-economic Value Creation	87
	2-20 Process to determine remuneration	Guiding our Socio-economic Value Creation	87

GRI content index			
Statement of use	DTB has reported the information cited in this GRI content index for the period 1 January to 31 December 2025 with reference to the GRI Standards.		
GRI 1 used	GRI 1: Foundation 2021		
GRI STANDARD	DISCLOSURE	LOCATION	PAGE
	2-22 Statement on sustainable development strategy	Our Socio-economic Relevance	41
	2-23 Policy commitments	Our Socio-economic Relevance	50
	2-24 Embedding policy commitments	Our Socio-economic Relevance	50
	2-25 Processes to remediate negative impacts	Our Socio-economic Relevance	42
	2-26 Mechanisms for seeking advice and raising concerns	Our Socio-economic Relevance	42
	2-27 Compliance with laws and regulations	DTB Risk management	105
	2-28 Membership associations	Our Socio-economic Relevance	55
	2-29 Approach to stakeholder engagement	Our Impact Network	70
	2-30 Collective bargaining agreements	Our Impact Network	77
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Our Impact Network	65
	3-2 List of material topics	Our Impact Network	66
	3-3 Management of material topics	Our Impact Network	66-69
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Review Our Socio-economic Relevance	34
	201-2 Financial implications and other risks and opportunities due to climate change	DTB risk management	102-103
	201-3 Defined benefit plan obligations and other retirement plans	Our Impact Network	76
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Our Socio-economic Relevance	52
	203-2 Significant indirect economic impacts	Financial review Our Socio-economic Relevance Financial statements	34

GRI content index			
Statement of use	DTB has reported the information cited in this GRI content index for the period 1 January to 31 December 2025 with reference to the GRI Standards.		
GRI 1 used	GRI 1: Foundation 2021		
GRI STANDARD	DISCLOSURE	LOCATION	PAGE
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Our Socio-economic Relevance	53
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	DTB Risk management	102-105
	205-2 Communication and training about anti-corruption policies and procedures	Guiding Socio-economic Value Creation	97
	207-2 Tax governance, control and risk management	Guiding our Socio-economic Value Creation and DTB Risk management	34
	207-3 Stakeholder engagement and management of concerns related to tax	Our Impact Network	70-75
	207-4 Country-by-country reporting	Financial review	16
	301-2 Recycled input materials used	Our Socio-economic Relevance	51-52
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Our Socio-economic Relevance	51-52
	302-2 Energy consumption outside of the organization	Our Socio-economic Relevance	51-52
	302-3 Energy intensity	Our Socio-economic Relevance	51-52
	302-4 Reduction of energy consumption	Our Socio-economic Relevance	51-52
	302-5 Reductions in energy requirements of products and services	Our Socio-economic Relevance	51-52
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Our Socio-economic Relevance	51-52
	305-2 Energy indirect (Scope 2) GHG emissions	Our Socio-economic Relevance	51-52
	305-3 Other indirect (Scope 3) GHG emissions	Our Socio-economic Relevance	51-52
	305-4 GHG emissions intensity	Our Socio-economic Relevance	51-52
	305-5 Reduction of GHG emissions	Our Socio-economic Relevance	51-52

GRI content index			
Statement of use	DTB has reported the information cited in this GRI content index for the period 1 January to 31 December 2025 with reference to the GRI Standards.		
GRI 1 used	GRI 1: Foundation 2021		
GRI STANDARD	DISCLOSURE	LOCATION	PAGE
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Our Socio-economic Relevance	51-52
	306-2 Management of significant waste-related impacts	Our Socio-economic Relevance	51-52
	306-3 Waste generated	Our Socio-economic Relevance	51-52
	306-4 Waste diverted from disposal	Our Socio-economic Relevance	51-52
	306-5 Waste directed to disposal	Our Socio-economic Relevance	51-52
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Our Socio-economic Relevance	53
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Our Impact Network	76
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our Impact Network	76
	401-3 Parental leave	Our Impact Network	76
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Our Impact Network	76
	404-2 Programs for upgrading employee skills and transition assistance programs	Our Impact Network	76-77
	404-3 Percentage of employees receiving regular performance and career development reviews	Our Impact Network	76
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Guiding our Socio-economic Value Creation and Our Impact Network	82
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programs	Our Socio-economic Relevance	55
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Our Socio-economic Relevance	42-43

ISSB INDEX MAPPING

Topic	IFRS Index	Location	Page
Governance	IFRS S1.26	203-2 Significant indirect economic impacts Socio-Economic Value Creation	78
	IFRS S1.27		78
	IFRS S2. 5		78
	IFRS S2. 5		78
Strategy	IFRS S1.28	Our Socio-Economic Relevance	57
	IFRS S1.29	Our Socio-Economic Relevance	57
	IFRS S1.30	Not included.	
	IFRS S1.31		
	IFRS S1.32	Our Socio-Economic Relevance	57
	IFRS S1.33	Our Socio-Economic Relevance	50
	IFRS S1.34	Our Socio-Economic Relevance	57
	IFRS S1.35		57
	IFRS S1.40		57
	IFRS S1.41		57
	IFRS S2.8	Our Socio-Economic Relevance	57
	IFRS S2.9	Our Socio-Economic Relevance	57
	IFRS S2.10	DTB Risk Management	106
	IFRS S2.13	Our Socio-Economic Relevance	57
	IFRS S2.14		57
	IFRS S2.15	Our Socio-Economic Relevance	57
	IFRS S2.16	Our Socio-Economic Relevance	57
	IFRS S2.21	Our Socio-Economic Relevance	57
	IFRS S2.22	DTB Risk Management	106
Risk Management	IFRS S1.43	DTB Risk Management	103
	IFRS S1.44		103
	IFRS S2.24	DTB Risk Management	106
	IFRS S2.25		106

Topic	IFRS Index	Location	Page
Metrics & Targets	IFRS S1.45	Our Socio-Economic Relevance	51
	IFRS S1.46		51
	IFRS S1.48		51
	IFRS S1.49		51
	IFRS S1.50		51
	IFRS S1.51		51
	IFRS S1.52		51
	IFRS S1.53		51
	IFRS S1.54		51
	IFRS S1.55		51
	IFRS S2.26		51
	IFRS S2.28	Administration- SASB Index	245
	IFRS S2.29	DTB Risk Management	106
		Our Socio-Economic Relevance	52
	IFRS S2.33	Our Socio-Economic Relevance	52
	IFRS S2.34	Our Socio-Economic Relevance	52
	IFRS S2. 36	Our Socio-Economic Relevance	52

SASB INDEX MAPPING

Topic	Metric	2025	Location	Page	Source
Incorporation of Environmental, Social and Governance Factors in Credit Analysis	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	For detailed disclosures, please refer to the 'DTB Risk Management' section of this report.	DTB Risk Management	106	FN-CB-410a.2
Emissions	Absolute gross emissions, disaggregated by Scope 1, Scope 2 and Scope 3	For detailed disclosures, please refer to the 'Our Socio-economic Relevance' section of this report.	Our Socio-Economic Relevance	52	FN-CB-410b.1
Data Security	Number of data breaches	Not included.	-	-	FN-CB-230a.1
	Percentage that are personal data breaches	Not included.	-	-	
	Number of account holders affected	Not included.	-	-	
	Description of approach to identifying and addressing data security risks	DTB processes personal data responsibly, ethically and in compliance with Kenya's Data Protection Act, 2019 and the General Data Protection Regulation (GDPR). A data protection policy framework exists for internal use.		246	FN-CB-230a.2

Topic	Metric	2025	Location	Page	Source
Financial Inclusion & Capacity Building	Number of loans outstanding that qualify for programmes designed to promote small business and community development	Not included.	-	-	FN-CB-240a.1
	Amount of loans outstanding that qualify for programmes designed to promote small business and community development	Not included.	-	-	
	Number of past due and nonaccrual loans or loans subject to forbearance that qualify for programmes designed to promote small business and community development	Not included.	-	-	FN-CB-240a.2
	Amount of past due and nonaccrual loans or loans subject to forbearance that qualify for programmes designed to promote small business and community development	Not included.	-	-	
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Not included.	-	-	FN-CB-240a.3
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	For detailed disclosures, please refer to the 'Our Socio-economic Relevance' section of this report.	Our Socio-Economic Relevance	56	FN-CB-240a.4
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	Fraud: KES 28 701 386.37		247	FN-CB-510a.2
	Description of whistleblower policies and procedures	For detailed disclosures, please refer to the 'Guiding Our Socio-economic Relevance' section of this report.	Guiding our Socio-economic Value Creation	97	FN-CB-510a.2

Topic	Metric	2025	Location	Page	Source
Systemic Risk Managementw	Global Systemically Important Bank (GSIB) score, by category	Due to DTB Group's operations being regionally focused, the Bank is currently not classified as a Globally Systemically Important Bank (GSIB) under the Basel Committee on Banking Supervision (BCBS) methodology. There are current cross-jurisdictional and size complexity factors that restrict the Bank from being classified to get a GSIB score.			FN-CB-550a.1
	Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy and other business activities	For detailed disclosures, please refer to the 'DTB Risk Management' section of this report.	DTB Risk Management	108	FN-CB-550a.2
	Number of checking and savings accounts by segment: (a) personal and (b) small business	(a) Personal: 944,351 (b) Small Business: 83,319 -		248	FN-CB-000.A
	Value of checking and savings accounts by segment: (a) personal and (b) small busines	(a) Personal: KES 89,287,634,082.78 (b) Small Business: KES 48,868,578,660.20 -		248	
	Number of loans by segment: (a) personal, (b) small business, and (c) corporateate	(a) Personal: 4 561 (b) Small Business: 744 (c) Corporate: 644		248	
	Value of loans by segment: (a) personal, (b) small business, and (c) corporate	(a) Personal: KES 18 382 758 294.04 (b) Small Business: KES 70 208 803 451.22 (c) Corporate: KES 261 259 815 059.88		248	FN-CB-000.B

