

FREQUENTLY ASKED QUESTIONS FOR MAPATO SUKUK

General Details - Part 1 - Sukuk (Shari'ah-compliant Bond)

1. What is a Sukuk?

'Sukuk' is a shari'ah-compliant Islamic financial product which resembles bonds in conventional finance.

2. What are the major differences between a Sukuk and a Non-Islamic Conventional Bond?

Conventional bonds are structured on the basis of debt whereas Sukuks are investment certificates consisting of ownership claims in a pool of assets or business activity that is shari'ah-compliant.

Sukuk adhere to an Islamic view of finance, avoiding Riba (generating money from money i.e., interest or usury) whereas conventional bonds are securities that are interest based.

3. What are Sukuks used for?

Sukuk are Islamic financial instruments issued by Governments or Corporates to raise money from investors for a period of time to finance their business ventures or government projects like Construction of roads, railways, electricity dams and others.

4. What is the benefit to Investors of Sukuk?

Sukuk distribute periodic coupon payments from the profit generated in the pool of assets or business activity. At the end of this Sukuk period, known as maturity date, issuers pay back the money raised from investors, known as the principal.

5. Can a Non-Muslim invest in a Sukuk?

Yes. A Sukuk is available to everyone wishing to invest.

General Details - Part 2 - Mapato Sukuk (KCB Shari'ah-compliant Bond)

1. What is the Mapato Sukuk being offered by KCB?

Mapato Sukuk is an "Shari'ah-compliant Bond" Programme issued by KCB Bank Tanzania Limited through its Islamic Banking Window known as KCB Sahl Banking and is offered to both retail and corporate investors.

2. Is the Mapato Sukuk a shari'ah-compliant investment product?

Yes. The Mapato Sukuk is a shari'ah-compliant investment endorsed by the Shari'ah Advisory Board of the Center for Islamic Finance, Compliance and Advice (CIFCA) and by the independent Shari'ah Advisory Board of KCB Sahl Banking.

3. What is the underlying Shari'ah principle which governs the issuance of the Mapato Sukuk offer by KCB?

The Mapato Sukuk is issued under the Shari'ah principle of Mudharabah.

Mudharabah is a profit-sharing contractual arrangement between an investor (Rabbul Maal) and a managing trustee (Mudharib). The Mudharib invests the funds provided by the investor in permitted business ventures and returns to the investor the principal and a pre-agreed share of the profit generated from the business venture.

4. What is the objective of Mapato Sukuk Programme?

The objective of Mapato Sukuk Programme is to raise Shari'ah Compliant Funds up to a total of TZS 30 billion in 3 separate tranches each targeting a minimum of TZS 10 billion that will be used to finance KCB Sahl Banking sharia-compliant asset portfolio which include financing activities to its customers that are shari'ah-compliant in line with its business strategy.

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5. What will the proceeds of the Mapato Sukuk be used for?

The funds raised will be utilized in KCB Sahl Banking Shari'ah-compliant financing and investment activities in line with its business strategy.

The proceeds of the Issue shall be commingled with other Shari'ah compliant funds and shall be invested in the General Pool of KCB Sahl banking under Mudharabah contract with Sukuk holders who will be owners of Sukuk funds (Rabbul Maal) and KCB Sahl banking who will be the Investment Manager acting on behalf of KCB Bank Tanzania Limited (Mudharib).

6. What is the size of issuance for the 1st Tranche of the Mapato Sukuk?

Up to TZS 10 Billion in nominal value

7. What happens if the Mapato Sukuk is oversubscribed?

In case of oversubscription, the Issuer has a right to raise up to an additional TZS 10 Billion

8. What is the expected profit rate for the 1st Tranche of the Mapato Sukuk?

The expected profit rate for the Mapato Sukuk is 11% p.a.

9. What is the frequency of payment for the 1st Tranche of the Mapato Sukuk?

The profit payments will be paid on quarterly basis (every 3 months or 4 times in a year)

10. What is the tax treatment for the 1st Tranche of the Mapato Sukuk?

Mapato Sukuk has been exempted from Withholding Tax

11. Will the Mapato Sukuk be listed on DSE (Dar es Salaam Stock Exchange)?

Yes. Mapato Sukuk will be listed on the DSE

12. Will the Mapato Sukuk be tradeable?

Yes. Mapato Sukuk will be tradeable in the secondary market at par value to comply with shari'ah on the nature of this instrument

13. Who can subscribe to the Mapato Sukuk?

1. Tanzanian citizens resident in or outside Tanzania or East African Community (EAC) nationality
2. Foreign nationals whether living in or outside Tanzania
3. Companies, financial institutions (banks), microfinances, takaful companies, sukuk issuers, bodies corporate or legal entities incorporated or established in or outside Tanzania (to the extent permitted by their constitutive documents and existing regulations, as the case may be)
4. Mutual Funds, Social Security / Provident / Pension / Gratuity Funds / Trusts (subject to the terms of the Trust Deed and existing regulations)
5. Branches in Tanzania of companies and bodies corporate incorporated outside Tanzania

14. What is the minimum amount required to buy the 1st Tranche of the Mapato Sukuk?

Tanzanian Shillings Five Hundred Thousand (TZS 500,000/-) per Investor.

15. What is the form and denomination for the 1st Tranche of the Mapato Sukuk?

The Mapato Sukuk will be issued in denominations and multiples of Tanzanian Shillings One Hundred Thousand (TZS 100,000/-)

16. When is the offering period for the 1st Tranche of the Mapato Sukuk?

The KCB Mapato Sukuk will be offered beginning 15th April 2026 until 14th May 2026.

17. When is the targeted Maturity Period for the 1st Tranche of the Mapato Sukuk?

The KCB Mapato Sukuk will be active for 3 years with a targeted maturity date of 28th May 2029.

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18. How do I get more information and to address any queries that I may have about the Mapato Sukuk?

The full Information Memorandum and Application Forms for the Mapato Sukuk Programme can be downloaded from the following websites: <https://kcbbank.co.tz/sukuk> <https://www.fimco.co.tz>

For further queries you may contact:

KCB Sahl Banking

Amour Muro - +255 766 509 640, amuro@kcbbank.co.tz

Iddy Mwacha - +255 753 210 802, imwacha@kcbbank.co.tz

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FIMCO Limited (Lead Arranger & Sponsoring Broker)

Ivan Tarimo - +255 767 211 690, ivan@fimco.co.tz

Centre for Islamic Finance Consultation & Advice (Sharia Advisor)

Dr. Ahmad Rufai - +973 3900 1563, ahmad.rufai@iifm.net

Salum Awadh - +255 656 006 106, sawadh@ssc.co.tz

Application - Mapato Sukuk (KCB Shari'ah-compliant Bond)

1. How do I get application material for the KCB Mapato Sukuk?

Copies of the Information Memorandum and Application Forms can be obtained from the registered offices of KCB Bank Tanzania Limited and the Lead Arranger & Sponsoring Broker FIMCO Limited.

The Information Memorandum and the Application Forms can also be downloaded from the websites listed in question 18 above.

2. Can I complete my application online for the KCB Mapato Sukuk?

Yes. There are several online options to complete your application online for the Mapato Sukuk which are:

i. Shirkah App

Download the Shirkah App on Apple Store or Google Play Store and follow steps to register and open an account. Once signed in, you will be able to choose the option available to invest in the Mapato Sukuk. The automation via Shirkah App will be in line with relevant requirements under the CMSA and details specified in the Pricing Supplement.

ii. KCB Sukuk Email

a) Download the Mapato Sukuk Application form online from the website: <https://kcbbank.co.tz/sukuk>

b) Complete the Mapato Sukuk Application form and required supporting documents.

c) If you are a new investor and need to open a Central Depository System (CDS) account to invest, reach out to FIMCO Limited via email info@fimco.co.tz for further assistance

d) Once all documents are complete, make digital payment into the KCB Mapato Sukuk Collection account as detailed below:

Bank Name: **KCB Bank Tanzania Limited**

Account Name: **Mapato Sukuk Collection Account**

Account Number: **3390977090**

Branch: **Lumumba**

e) If payment has been done to the KCB Mapato Sukuk Collection account, send scanned copies of all documents (Mapato Sukuk Application Form, Supporting Documents, and Proof of Payment) to the email: Sukuk@kcbbank.co.tz

Important: **Ensure payment reference number is captured correctly in the Mapato Sukuk application form.**

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3. What do I need to successfully complete an application if I am an Individual Investor?

In case of individual investors, an application form must be filled with below supporting material:

Valid Photo ID

- A copy of NIDA (in case of resident Tanzanians); or
- A copy of Driving License; or
- A copy of Voters ID; or
- A copy of Passport; and

CSD & REGISTRY COMPANY LIMITED (CSDR) account details

- CDS (Central Depository System) Account Number
- If you are a new investor and need to open a Central Depository System (CDS) account to invest, reach out to FIMCO Limited via email info@fimco.co.tz for further assistance

Note: All applications must bear the name and signature corresponding with that recorded with the applicant's banker and as it appears in National Identification Card (NIDA), Driving License, Voters ID, or Passport. In case of difference of signature with the bank and computerized NIDA Card or passport, the signatures should be affixed on the application form.

4. What do I need to successfully complete an application if I am an Institutional Investor?

In case of new institutional investors (companies, corporate bodies, mutual funds, provident/pension/gratuity funds/trusts and other legal entities), an application form must be filled with below supporting material:

- A copy of Memorandum and Articles of Association or equivalent; and
- Photo IDs of at least 2 directors; and
- TIN Certificate; and
- Business License; and
- Tax Clearance Certificate
- CDS (Central Depository System) Account Number
- If the institution does not have a CDS number, reach out to FIMCO Limited via email info@fimco.co.tz for further assistance

Note: Where applications are made by virtue of power of attorney, the same should also be submitted along with the application. Applications must be signed by at least 2 directors and must bear company stamp/seal.

5. What do I need to successfully complete an application if I am a non-individual foreign investor?

In case of foreign investors who are not individuals, applications must be accompanied by a letter on applicant's letterhead stating the legal status of the applicant, place of incorporation and operations and line of business. A copy of Memorandum of Association or equivalent document should also be enclosed, if available. Where applications are made by virtue of Power of Attorney, the same must be lodged with the applications. Copies of these documents can be attested by the Bank Manager in the country of applicant's residence.

6. What do I need to successfully complete an application if I am a non-resident/foreign Tanzanian?

Non-residents who wish to subscribe for the Mapato Sukuk out of the general public portion may contact any of the bankers to the issue to take instructions regarding payment of subscription money against Sukuk offered to the general public retail investors. List of bankers to the issue for retail portion is available on title page of the Information Memorandum.

The Sukuk issued to non-resident investors shall be intimated by the Bank to the designated Authorized Dealer, along with the documents prescribed in the Manual within 30 days of issue.

Payments made by non-residents shall be supported by proof of receipt of foreign currency through normal banking channels. Such proof shall be submitted along with the Application by the non-residents.

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7. How many applications can I make?

Applicants may submit multiple applications as long as each of them independently meets the terms and conditions of the Mapato Sukuk.

If multiple applications are received from a single applicant with different details, applications from such applicant will be considered null and void and no allotment will be made to the applicant.

In case of joint accounts, one application may be submitted in the name of each joint account holder.

8. When can I get my refund if my application is unsuccessful or rejected due to error?

The Issuer shall take a decision within fourteen (14) days of the closure of subscription list as to which applications have been accepted or are successful and refund the money in cases of unaccepted or unsuccessful applications within fourteen (14) days of the date of such decision as required.

Making Payment - Mapato Sukuk (KCB Shari'ah-compliant Bond)

1. How do I make payment at a KCB Branch?

a) Complete the Mapato Sukuk Application Form at the KCB Branch

b) If you are a new investor and need to open a Central Depository System (CDS) account to invest, reach out to FIMCO Limited via email info@fimco.co.tz for further assistance.

c) Once all documents are complete, fill out the required deposit form to make payment into the Mapato Sukuk Collection account at the KCB Branch as detailed below:

Bank Name: KCB Bank Tanzania Limited
Account Name: Mapato Sukuk Collection Account
Account Number: 3390977090
Branch: Lumumba

d) Ensure payment reference number is captured correctly in the Mapato Sukuk application form

e) Keep a copy of payment proof and application receipt

2. How do I make payment digitally i.e. wire transfer, mobile banking, mobile money, etc.?

OPTION 1: By using the Shirkah App as described in Application Section question 2.

OPTION 2: By using the KCB email option as described in Application Section question 2.

3. How do I make payment through my broker?

a) Complete the Mapato Sukuk application form provided by your broker

b) If you are a new investor, complete the KYC form provided by the broker

c) Once all documents are complete, make payment to the bank account provided by the broker and share proof of payment. Some brokers accept cash payments for amounts less than TZS 5,000,000/- (Tanzanian Shillings Five Million). If you make cash payment, your broker should provide receipt.

d) If you paid through bank, ensure the payment reference number is captured correctly in the Mapato Sukuk application form

e) Keep a copy of payment confirmation