



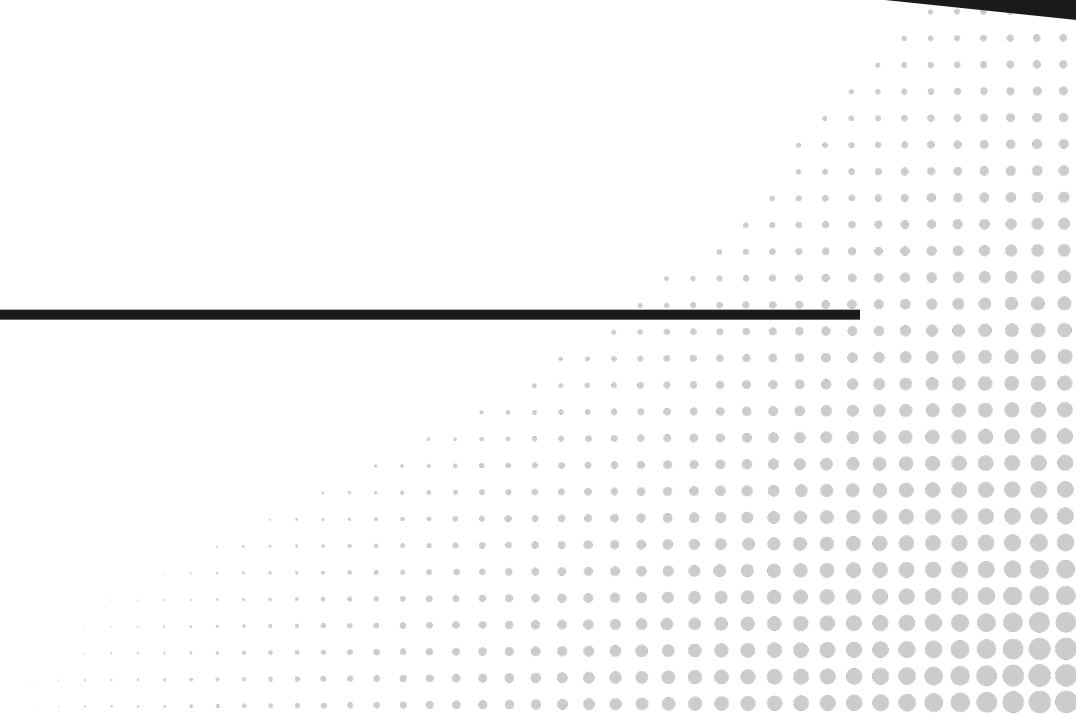
Investor Briefing

2Q 2022



ABOUT **CRDB**

IR BRIEFING 2Q 2022

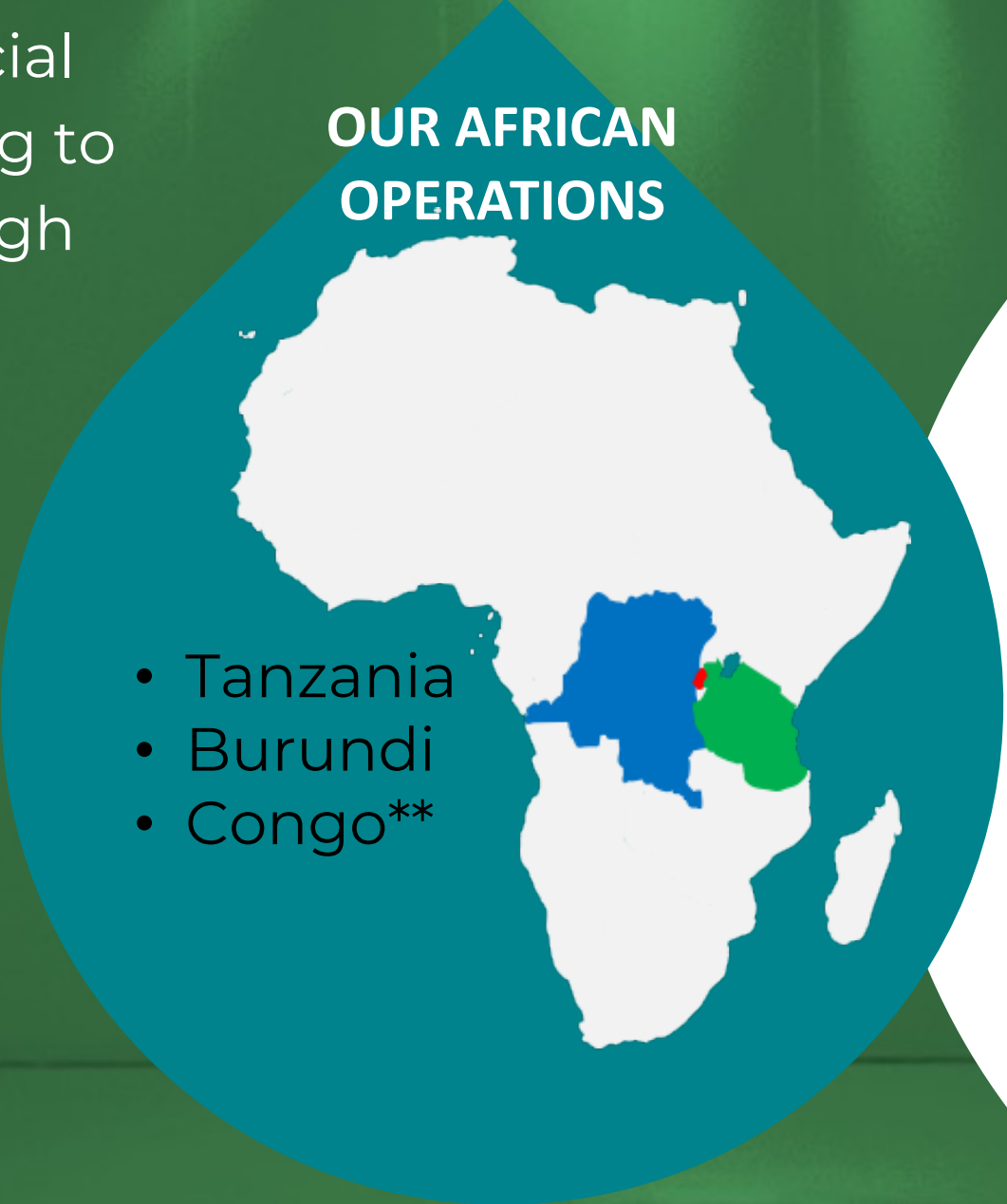


CRDB at Glance

We are the largest integrated financial services provider in Tanzania aspiring to transform the lives of Africans through the financial service sector.



OUR AFRICAN OPERATIONS



OUR KEY CREDENTIALS



Registered in Dar es Salaam Stock Exchange



Rated B2 Stable Outlook by Moody's



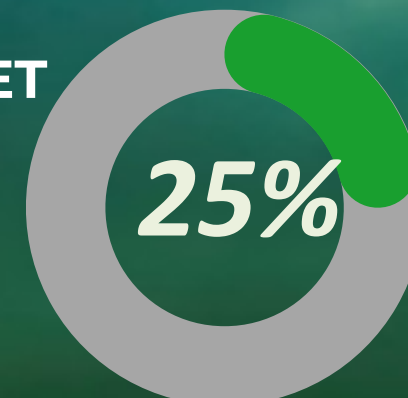
GREEN CLIMATE FUND

1st Eastern & Central GCF Accredited Entity

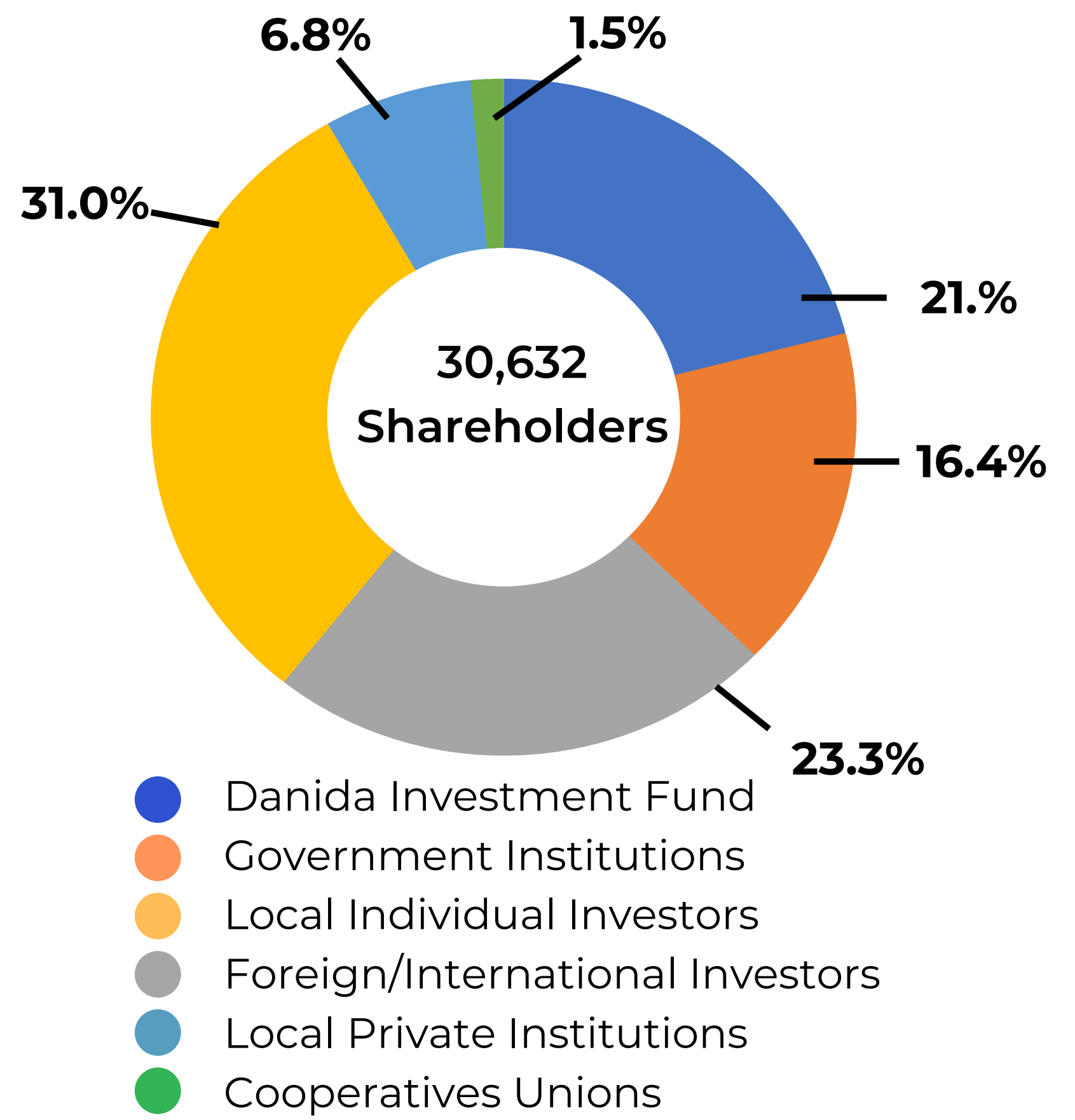
OUR BUSINESSES

- Commercial Banking
- Insurance Services
- Investment - Local & Regional

TOTAL MARKET SHARE



Owned by Diverse Group of Shareholders



Our Capabilities

We have a sound financial base and human resources to provide financial services to all customers and support the economic transformation of our markets.

OUR FINANCIAL CAPABILITIES

USD 0.6 Billion
Total Capital

USD 4.4 Billion
Balance Sheet

USD 1.2 Billion off-Balance sheet

OUR CUSTOMER BASE



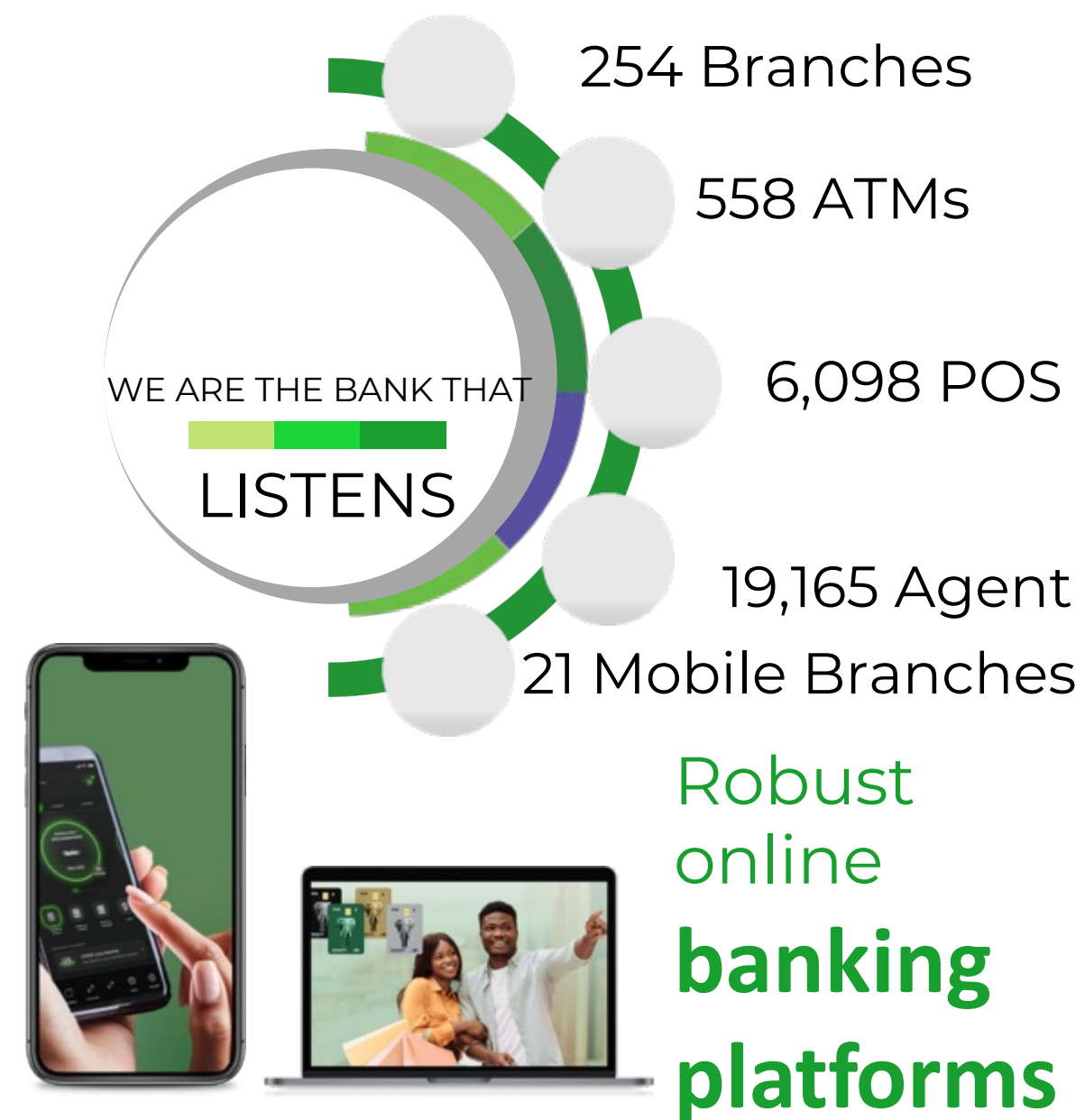
4.5 Mln
Customers

OUR HUMAN CAPITAL



3,650
Highly Skilled Staff

OUR DELIVERY CHANNELS



Medium and Long-term Aspirations

Our ambition is to transform the bank's trajectory to meet stakeholders' expectations while addressing socio-economic challenges.

Offer transformative solutions linked to the customer lifestyle and market demands.

Transform our operations to support and address sustainable development goals



Adopt a sustainable business model which responds to the changing times.

Achieve an optimal value creation model which contributes significantly to the mainstream economy.

Our Business Model

Our unique business model enables us to respond to a dynamic environment, competing stakeholders' expectations, complex competitive forces, emerging trends, and regulatory changes.



- Payment Solutions
- Revenue
- Collections
- Salary Processing
- Transfers
- Remittances

- Savings
- Long Term Investments
- Shares
- Bonds
- Bancassurance

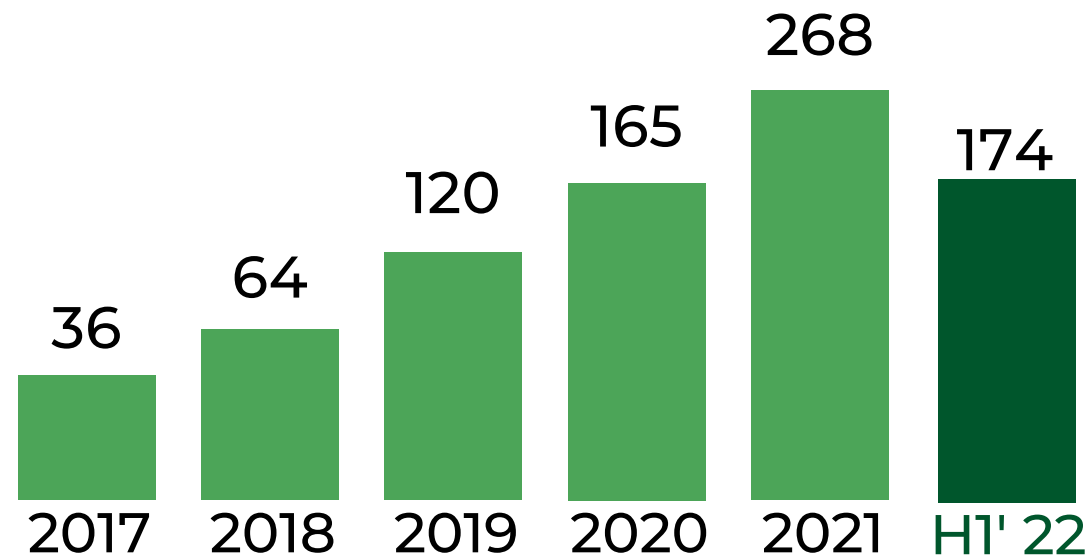
- Mortgage
- Personal Financing
- Working Capital
- Project Financing
- Trade Financing



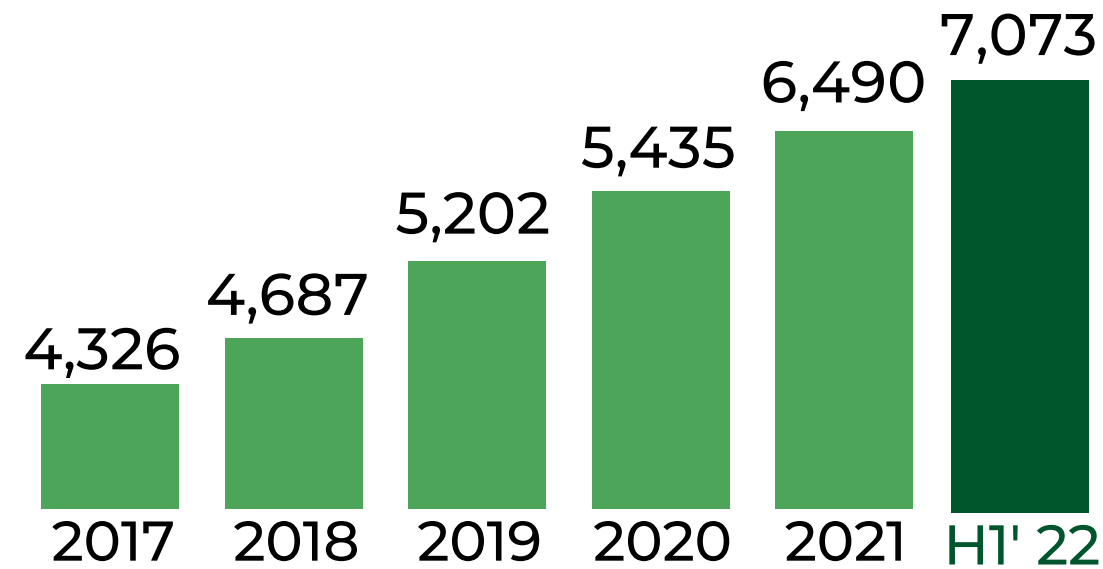
Our Performance Trend

Amount in TZS 000,000,000 - Exchange USD/TZS = 2,300

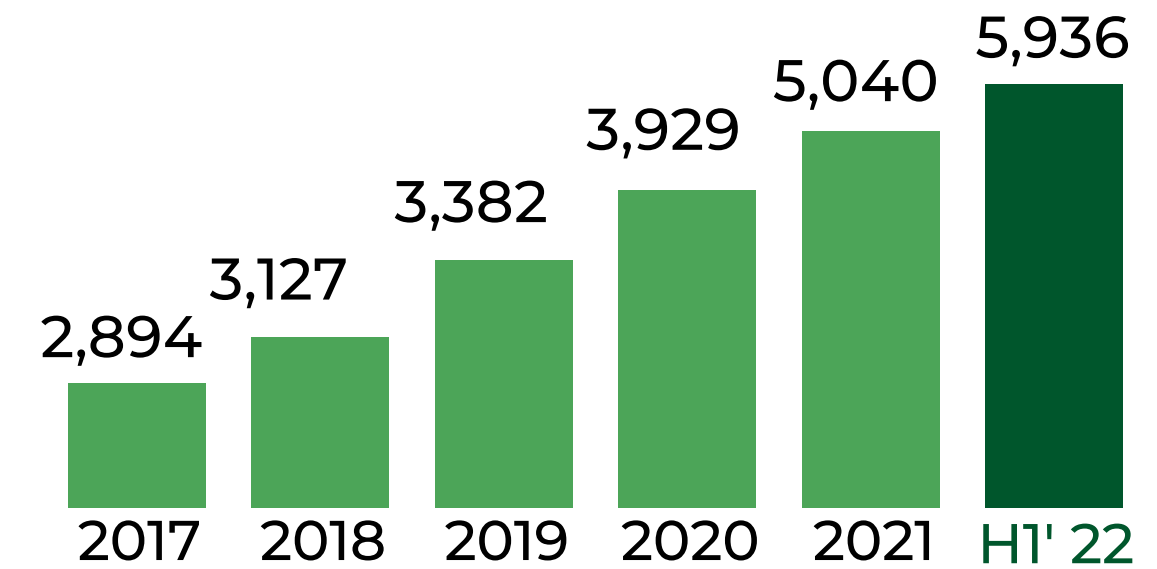
PAT



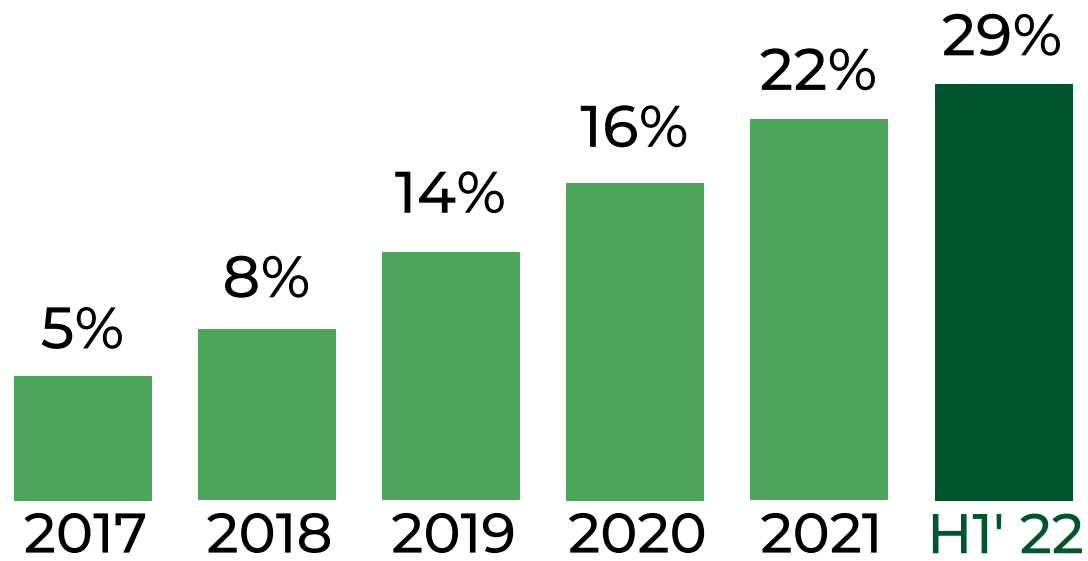
DEPOSITS



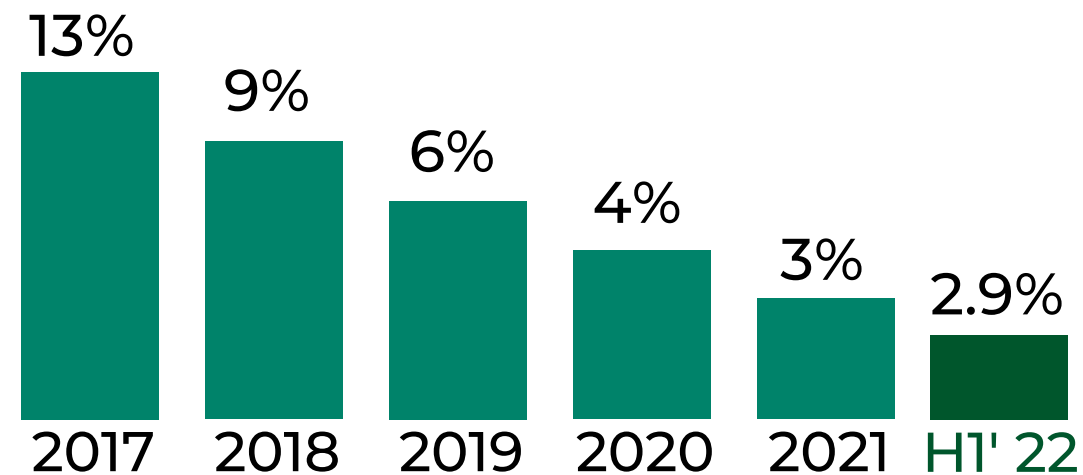
LOANS



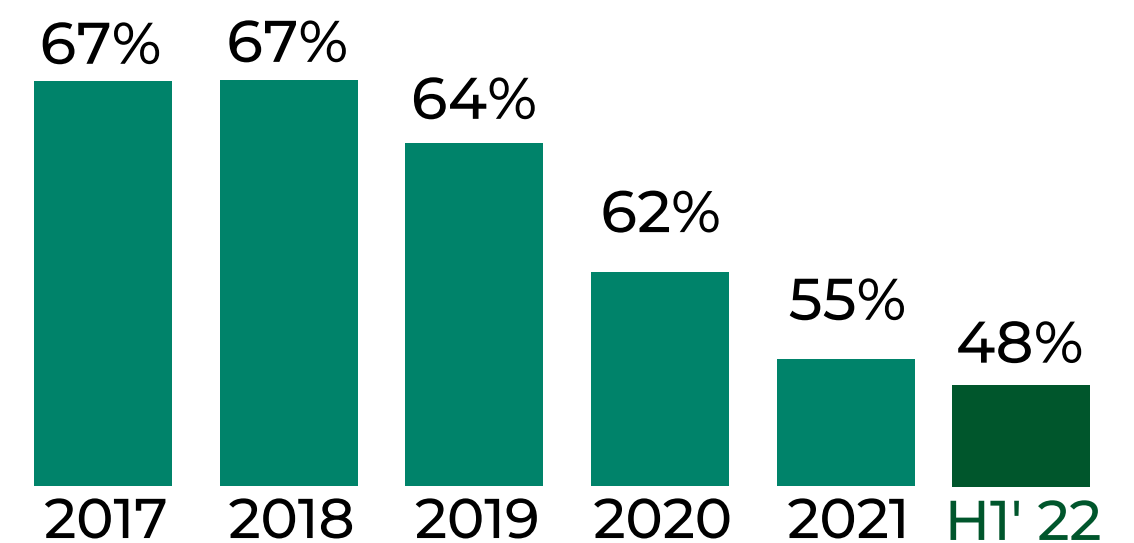
ROE



NPL



CIR



Dividend Payment History

Dividend policy: At least 35% of PAT

Amount in TZS 000,000,000 - Exchange
USD/TZS = 2,300

Dividend per share trend from 2017





Review of **Business Environment**

IR BRIEFING 2Q 2022

Market Insights

Continuous efforts by the government to bring in international investors will unlock financing opportunities and accelerate the flow of FDI in the country.

The government continued to formulate competitive and pro-business policies geared to foster a private sector-driven economy, thus creating more business opportunities.

Pressure to reduce cost of services and interest rates alongside growing market competition, continues to drive innovation in services, product offerings and positioning.

Increased oversight by the central bank, yet supportive monetary frameworks

CRDB Key Milestones



1

Leveraged on good relations to drive policy changes through Central bank.

2

Recruitment of key resources for DR Congo and onset to start operations in Q4.

3

Remained the most consumer and business preference bank in the market.

4

Continue to drive impact through strategic partnership and community engagement.

Awards and Recognition

Recognised by various bodies through our efforts to provide customer-centric financial solutions



Euromoney Awards, 2022

Best bank in Tanzania



The Banker Awards, 2022

Deal of the year



Global Finance Awards, 2022

Best bank in Tanzania



ACCA Accreditation

ACCA approved employer











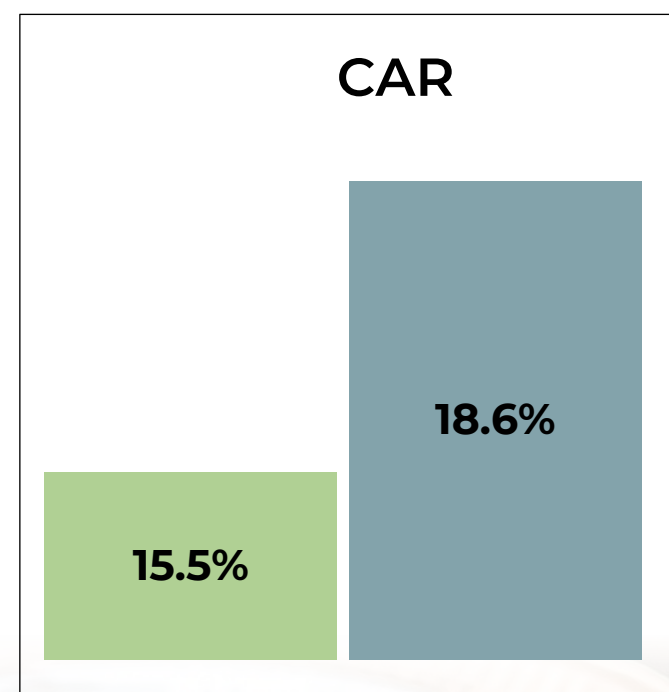
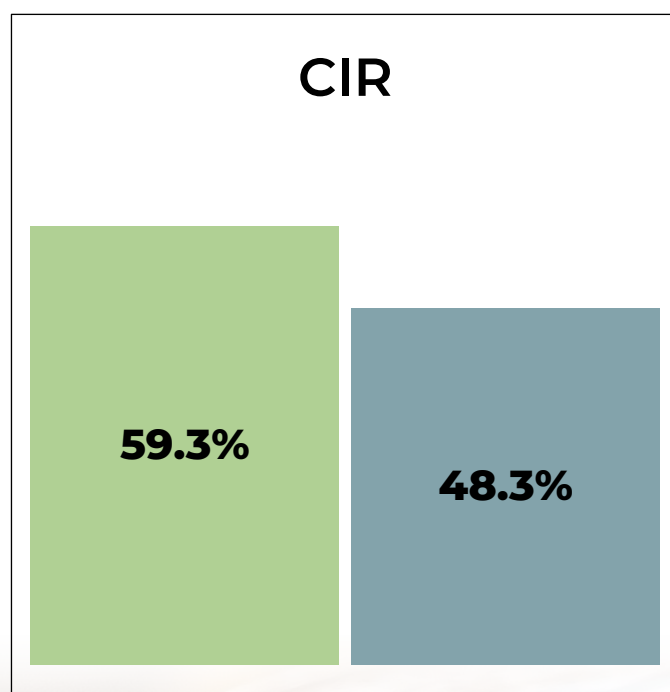
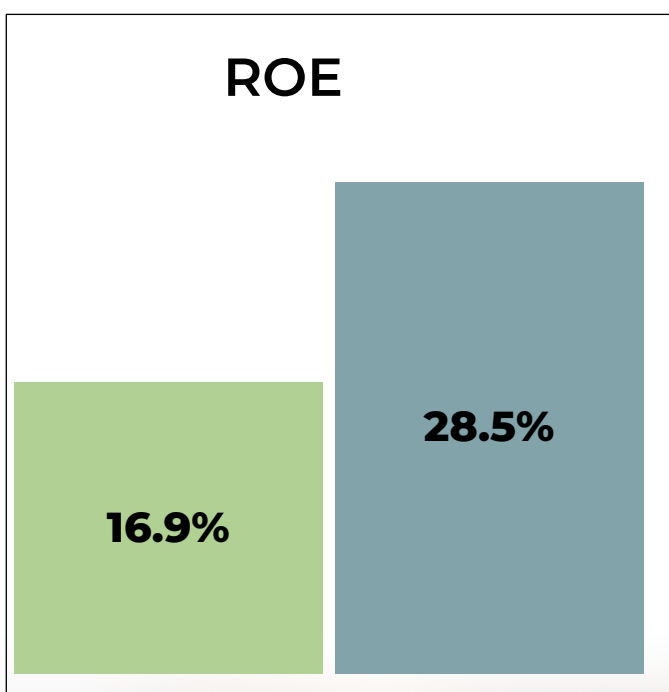
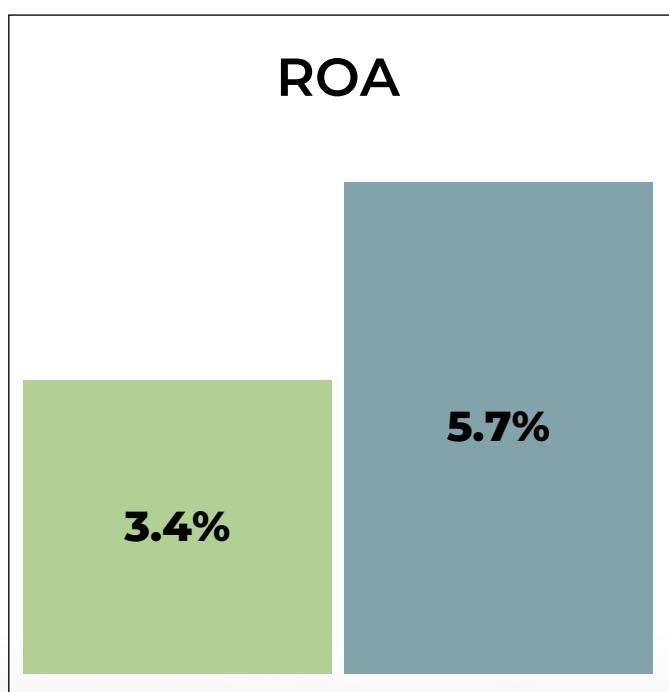
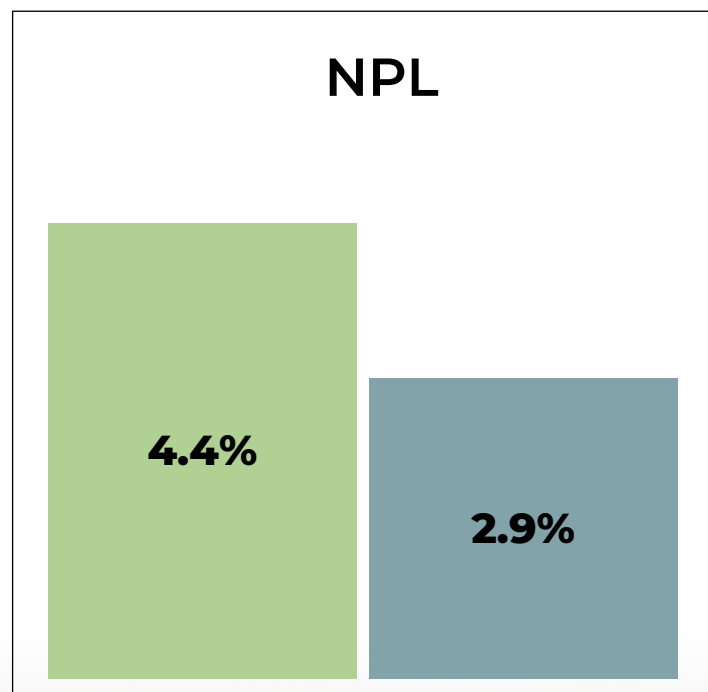
FINANCIAL PERFORMANCE

IR BRIEFING 2Q 2022

Key Indicators

Amount in TZ Bn

				
	Profit After Tax	Total Assets	Net Loans and Advances	Customer Deposits
1H 2022	174	10,254	5,936	7,073
1H 2021	89	8,062	4,184	6,023
YoY Growth	 96%	 27%	 42%	 17%



Key ■ H1 2021 ■ H1 2022

Group Balance Sheet

Amount in TZS Billions

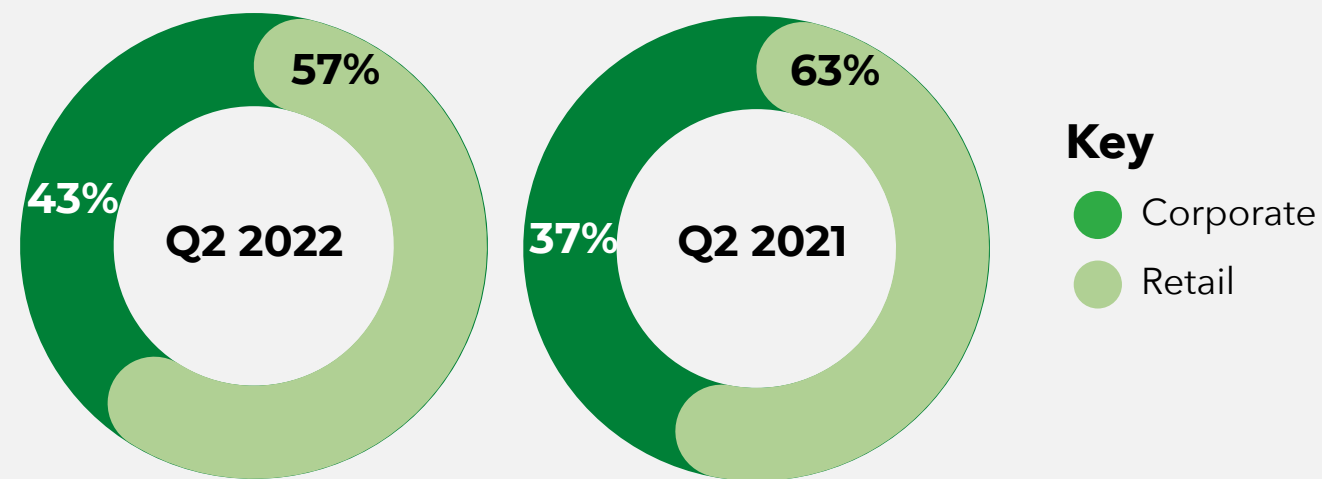
	1H22	1H21	YoY Growth
Net Loans & Advances	5,936	4,184	42%
Total Assets	10,254	8,062	27%
Customer Deposits	7,073	6,023	17%
Borrowings	1,564	740	111%
Shareholders' Funds	1,309	1,037	26%

- Total Balance Sheet grew by 27% YoY driven by a healthy growth of the Group's loan book resulting from aggressive sales campaigns to capitalize on market opportunities.
- Net Loans and Advances increased by 42% YoY driven by an increase in both Corporate Loans (97%) and Retail Loans (29%)
- The loans were funded by YoY growth in both Customer Deposits (17%) and Borrowings (111%)
- In the quarter, the Bank acquired funding from foreign financial institutions

Loan Portfolio



Split per Segment



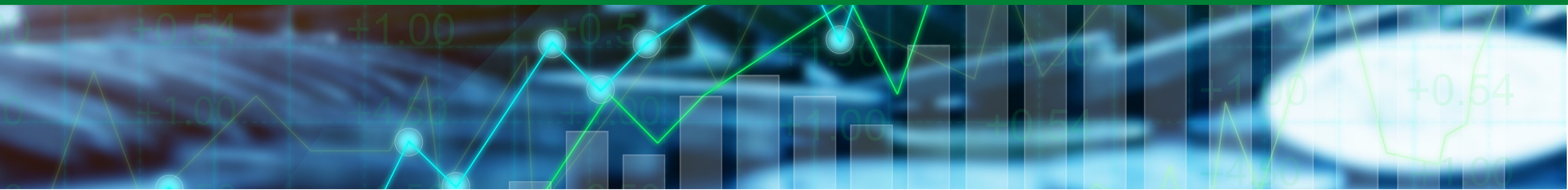
Corporate loans' contribution to the total loan portfolio increased to 43% in the year resulting from the segment's expansion into emerging sectors such as Oil Marketing Companies and Oil & Gas

Split per Sector

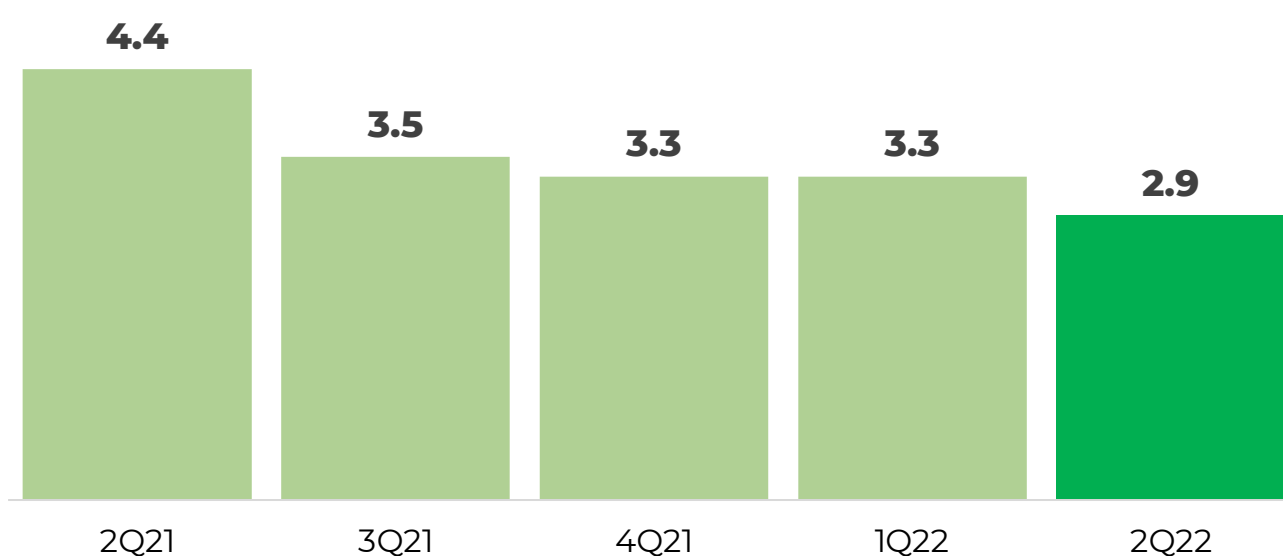
	2Q22	2Q21
Personal	42%	43%
Trade	14%	11%
Agriculture	13%	13%
Manufacturing	5%	5%
Building and Construction	4%	5%
Others	22%	23%

- Loans from the personal, trade and agriculture sectors continue to form a majority of the Group's loan portfolio
- There has been a notable growth in loans to the trade sector driven by the Bank's focus on supporting industrial growth in the country

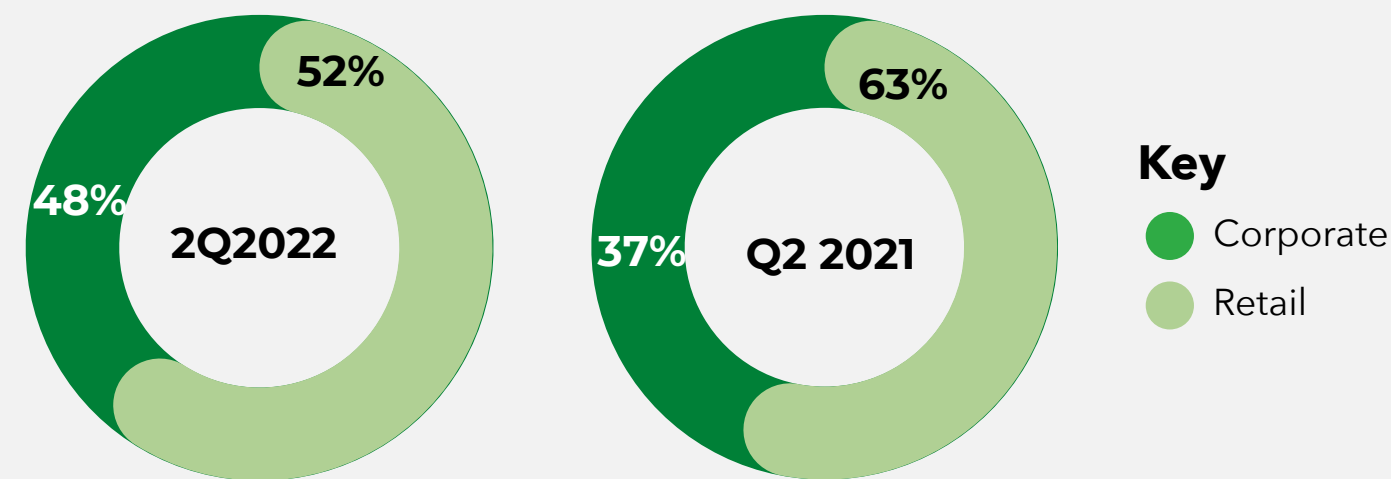
Asset Quality Review



Group NPL Trend



NPL Split by Segment



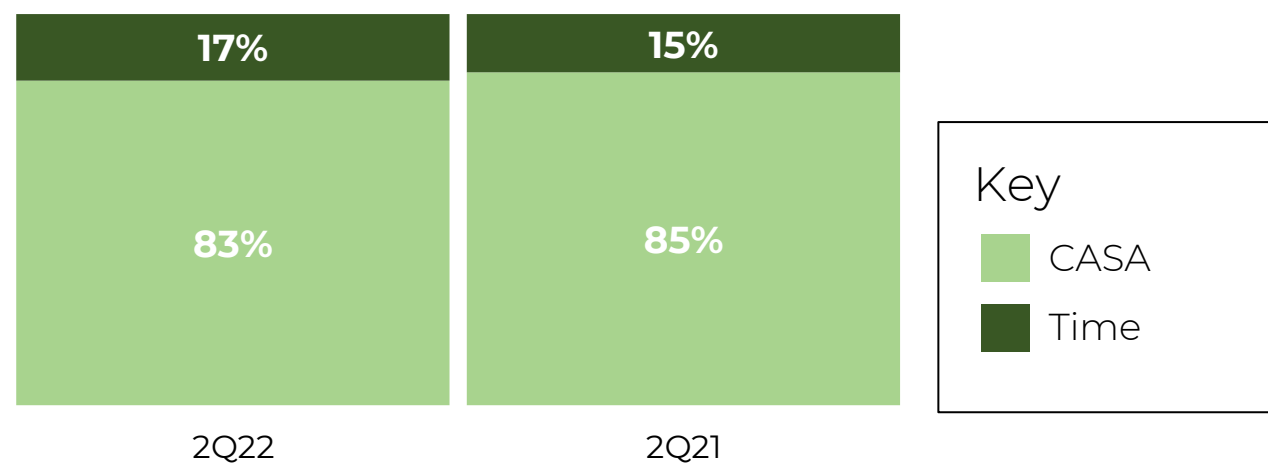
- The Group's NPL Ratio continues to steadily decline to 2.9% from 4.4% recorded in the similar period in the previous year
- In absolute terms, total non performing loans have decreased by 6%

- Retail Loans continue to make up a majority of the NPLs – albeit at a slightly lower composition compared to 2Q21.
- The leading contributing sector is Agriculture – comprising 20% of total NPLs.
- The leading sector in 2Q21 was Building and Construction, with a 21% contribution

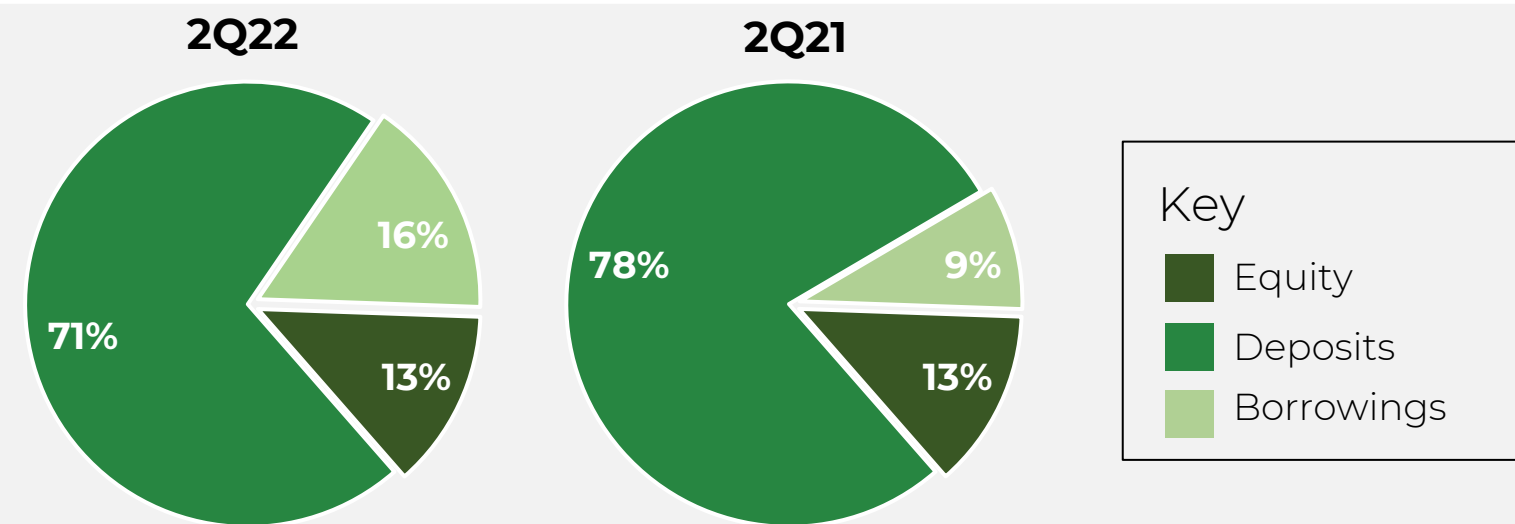
Deposit and Funding Mix



Deposit Mix



Funding Mix



- The deposit growth achieved in the first half of the year was driven by a 33% increase in time deposits and a 15% increase in Current Accounts and Savings Accounts (CASA)
- This resulted from various deposit mobilization initiatives carried out in the first half of the year

- The Bank increased its borrowings in the first half of the year to make up for deposits lost from the ongoing liquidity challenge in the market
- The Bank liquidity ratio improved to 28.6% in the second quarter from 20.2% as at end of the first quarter. This is well above the regulatory requirement ratio is 20%

Group Income Statement

Amount in TZS Billions

	1H22	1H21	YoY Growth
Net interest income	356	302	18%
Non - Funded Income	195	120	63%
Total Income	551	422	31%
Operating Expenses	-266	-250	6%
Loan Impairment Charges	-35	-44	-20%
Profit Before Tax	250	127	97%
Profit After Tax	174	89	96%

- The Group's PAT grew by 96% YoY, reaching TZS 174bn as at end of 1H22.
- The growth was driven by the Group's concerted efforts to grow income while keeping operating expenses at bay
- NFI contribution to Total income increased to 35% in the first half of the year from 28% in the same period of the previous year.

Income Analysis



Net Interest Income

In TZS Billions	1H22	1H21	YoY Growth
Interest Income	441	371	19%
Interest Expense	-84	-69	22%
Net Interest Margin	9.7%	10.3%	

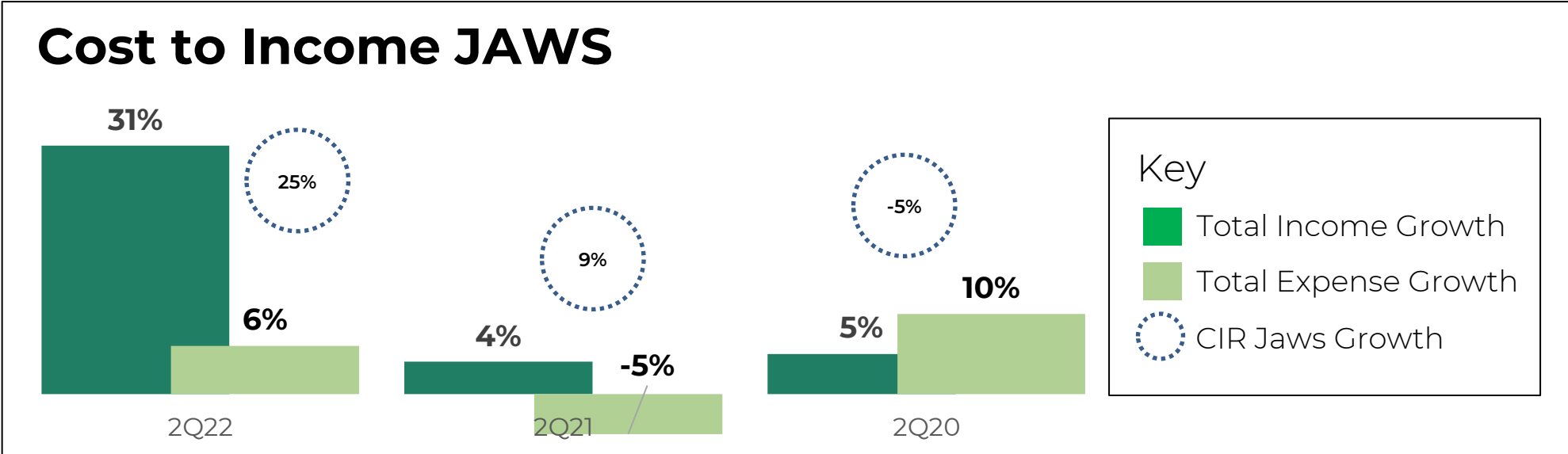
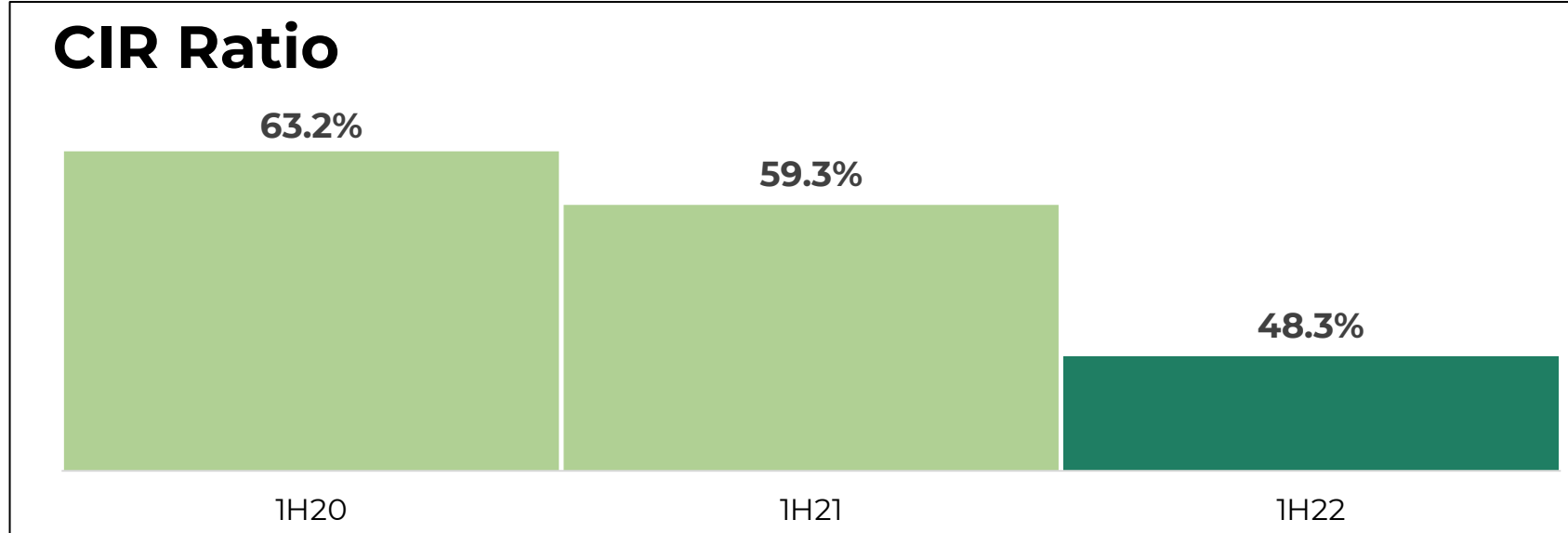
- Healthy growth in the loan portfolio resulted in 19% increase in interest income.
- Increase in Interest expense was driven by an uptake of time deposits and borrowings
- In the first half of the year, NIMs shrunk to 9.7% from the combination of compressed lending rates and increasing deposit rates.

Non Funded Income

In TZS Billions	1H22	1H21	YoY Growth
Forex Income	25	17	47%
Fees and Commission	134	96	40%
Other Operating Income	35	6	483%

- Increase in Fees and Commission largely driven by growth in incomes from Agency Banking, Mobile Banking and the Insurance Business
- Growth in other operating income contributed by realized gain on available for sale portfolio

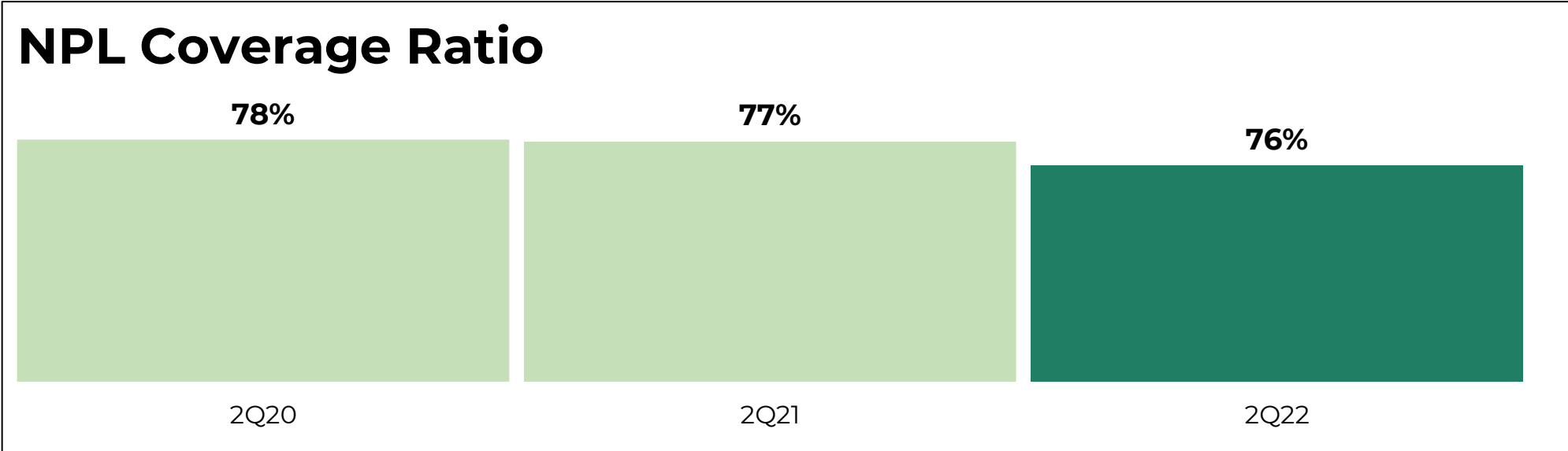
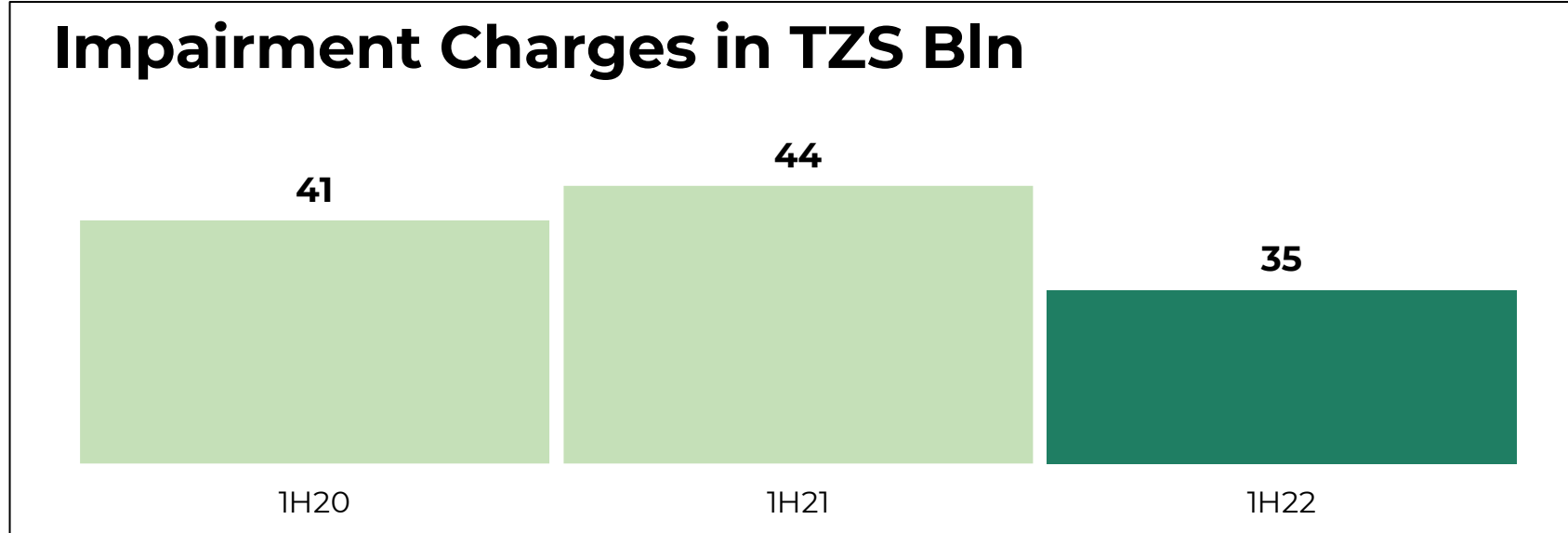
Cost to Income Analysis



- Year on year, the CIR continues to trend downwards, reaching 48.3% by 1H22.
- There was however a slight quarter on quarter (Q-o-Q) increase in CIR, from 46.4% in 1Q22 to 50.1% in 2Q22
- The Q-o-Q growth was driven by investments made for business growth as well as a reflection of seasonality on business undertakings.

- Cost to Income JAWS continue to improve reaching 25% in 1H22 from 9% recorded in the same period in 2021.

Impairment and NPL Coverage



- Decrease in Impairment charge driven by improvement in quality of loans booked
- NPL Coverage maintained above internal limit of 70%

Subsidiary Contribution



Balance Sheet and Income Statement (Figures in TZ Bn)

	1H22	1H21	% Change
Burundi			
Total Assets	692	431	61%
Total Deposits	358	248	44%
Operating Income	22	12	89%
Net Profit	12	5	119%
Insurance			
Total Assets	7	9	-21%
Net Commission Income	0	1	-100%
Net Profit	-0.44	0.8	-105%

Burundi

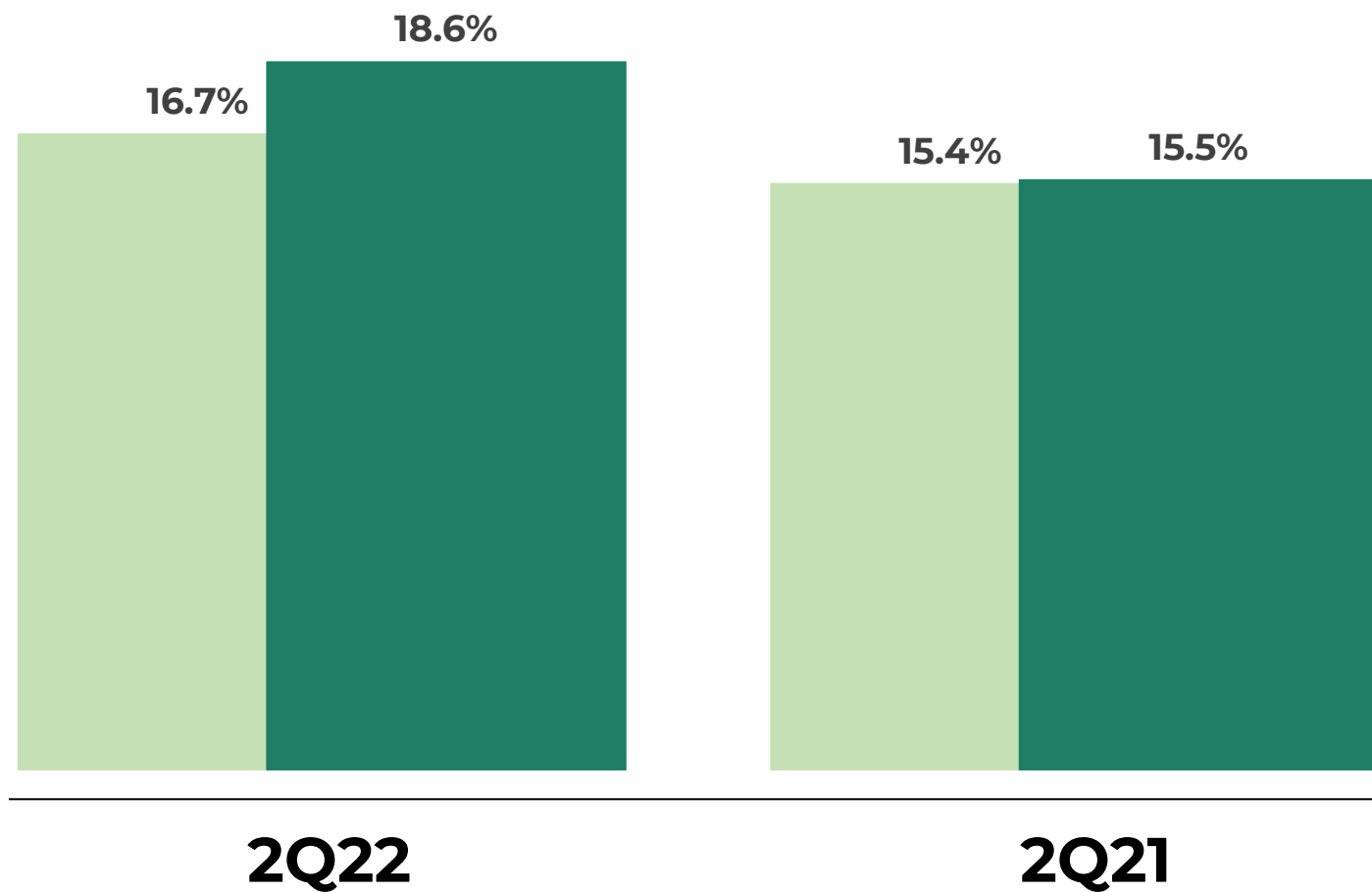
- Strong performance in the Burundi with PAT of TZS 12bn
- 119% YoY growth is a result of significant increase in interest income

Insurance

- Insurance Assets decreased to TZS 7 bn, a 21% YoY decline, driven by a decrease in investment portfolio
- CIB strives to be stringent in operations in order to ensure cost is contained as the company embarks on the transformation process to form a new Insurance company.

Capital Management

Both core and total are above both regulatory and internal limits of 12.5% and 14.5% for Tier I and Tier II respectively





The Bank continues to focus on prudent capital management with selective growth of portfolio with high yields and lower RWA. With focus on portfolio de-risking initiatives.


Investment Information



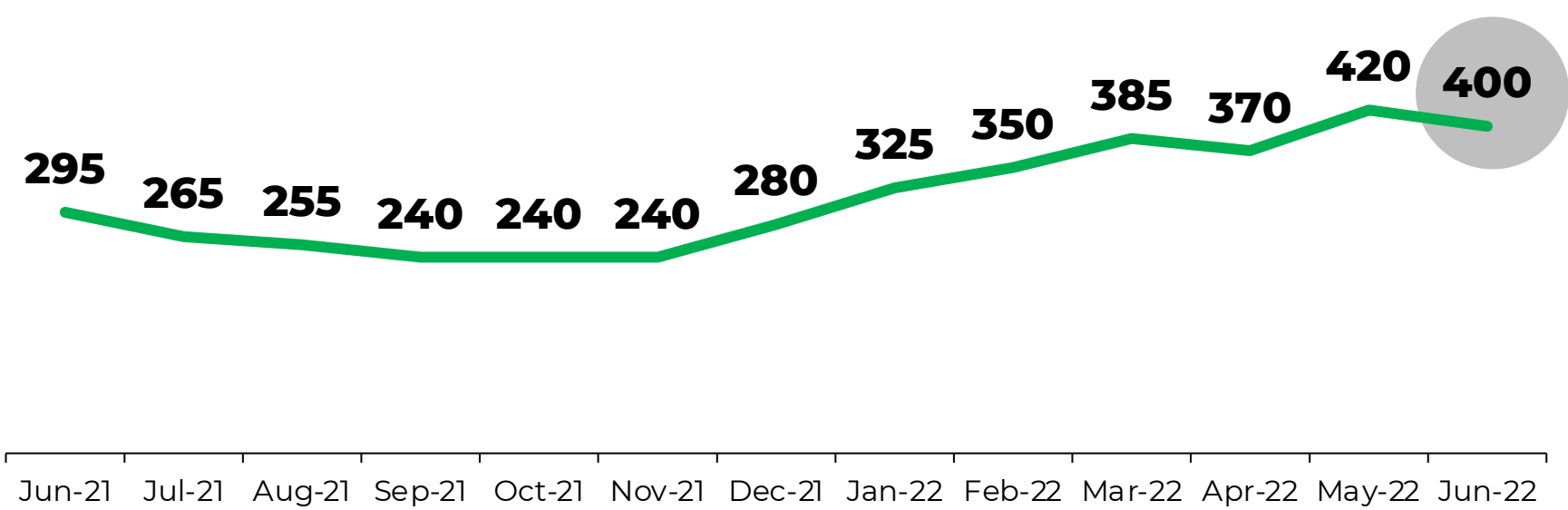
Our Share price continues to be the most traded in the Dar es Salaam Stock Exchange market, with buying side led by foreign players and selling side by local players


TZS 400
 Share price




36%
 YoY Growth

Share Price Trend



Key Metrics (TZS)	June '22	June '21	YoY Change
Market Cap	1,044.7 Bln	770.4 Bln	36%
Share Price	400	295	36%
Book Value	488	396	23%
Dividend Paid	36	22	64%

CRDB Ownership Structure as of	30-Jun-22	30-Jun-21
Danida Investment Fund (DIF)	21%	21%
Private and Local Institutions	26%	25%
Local Individual Investors	30%	32%
Foreign Investors	23%	22%

Outlook for the year . . .

	1H22 Actual	Revised 2022 Outlook
Loan Growth	42%	15% - 20%
Deposit Growth	17%	16% - 20%
Non Funded Income	63%	35% - 40%
Cost to Income Ratio	48.3%	45% - 52%
Return on Equity	28.5%	25% - 30%
Return on Assets	5.7%	4.5% - 6.5%
NPL	2.9%	3% - 4%



WAY FORWARD

IR BRIEFING 2Q 2022



Increase Focus On The Imperatives



- Closely monitor the operating environment signals and proactively align to address upcoming challenges and capture presented opportunities.
- Continue implementing measures to diversify the loan book to reduce concentration and improve margins.
- Increase focus on R&D to explore new avenues of income generation and ways to subsidize shrinking areas.
- Maintain spending patterns and continue optimizing cost initiatives including accelerating the completion of digital transformation projects.
- Forge strategic partnerships to pursue untapped opportunities and create growth capabilities including expansion.
- Continue implementing strategic measures to further strengthen liquidity and capital position to support business growth.
- Continue building on the foundations of ESG and create capability towards the full adoption of ESG frameworks.



Disclaimer

CRDB Bank Plc has made various forward-looking statements with respect to its financial position, business strategy, plans and objectives of management. Such forward-looking statements are identified by the use of forward-looking words or phrases such as 'expects', 'estimates', 'anticipates', 'believes', 'intends', 'plans' or words or phrases of similar nature.

By their nature, forward-looking statements require the Bank to make assumptions which are subject to inherent risks and uncertainties. There is a significant risk that predictions and other forward-looking statements will not prove to be accurate. We caution readers of this report not to place undue reliance on our forward-looking statements as a number of factors could cause future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements.

The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to interest rate and currency value fluctuations, industry and worldwide economic and political conditions, regulatory and statutory developments, the effects of competition in the geographic and business areas in which we operate, management actions and technological changes.

We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to CRDB Bank Plc investors and other stakeholders should carefully consider these factors, as well as other uncertainties and potential events and the inherent uncertainty of forward-looking statements. The Bank does not undertake to update any forward-looking statement that may be made, from time to time, by the Bank or on its behalf.



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