



The bank that listens

3Q. 2022

Investor Briefing

Review of Tanzania Economy

Despite global challenges of weak economic growth and high inflation country GDP performance was satisfactory in line with annual projections

MACROS HIGHLIGHTS AND FUTURE OUTLOOK



- GDP grew by 5.4% in H1 2022, well in line projected target of 4.7%. This growth is exacerbated by positive momentum from key economic activities and the government's drive to foster investments.
- Rising global inflationary pressure slightly increased the inflation rate to 4.6% in August 2022 from 4.4% in June 2022. The inflation rate is expected to remain within the annual target of 5.4% as the central bank continues to manage liquidity in the market.
- Money supply and credit to private sector growth continued to increase, with the latter at a much faster pace. In August 2022, M3 grew by 11.5%. Credit to the private sector grew by 20.7% in August 2022 compared to 3.2% in August 2021.
- The shilling remained fairly stable against the U.S dollar, trading at an average of TZS 2,316 per U.S dollar in August 2022, a marginal depreciation from TZS 2,311 per U.S dollar in August 2021




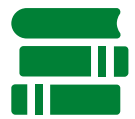








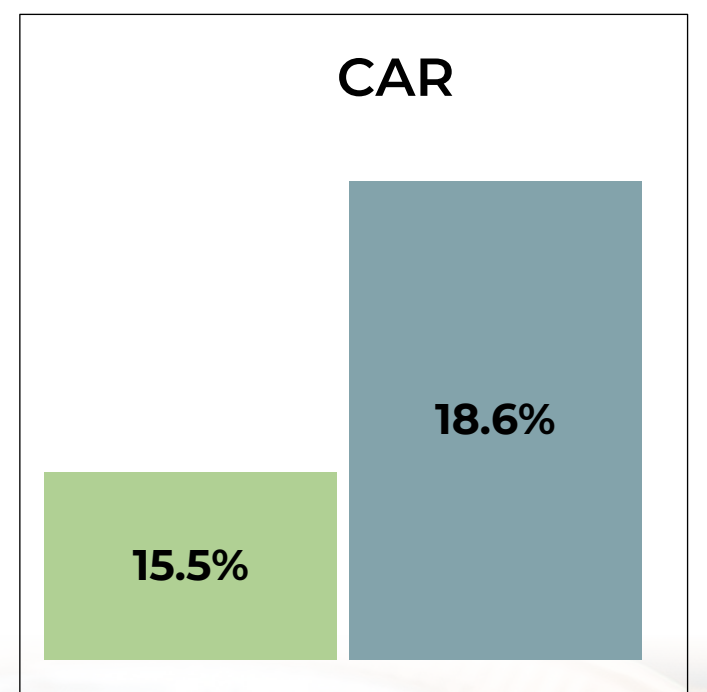
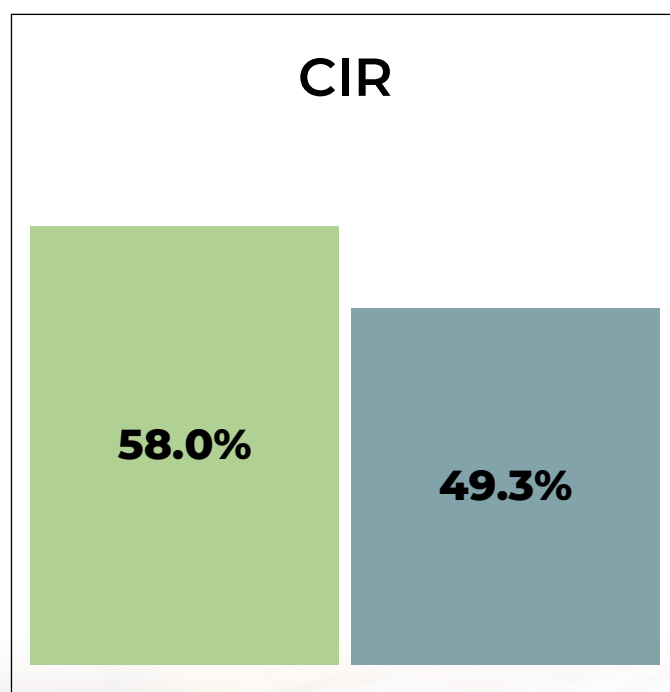
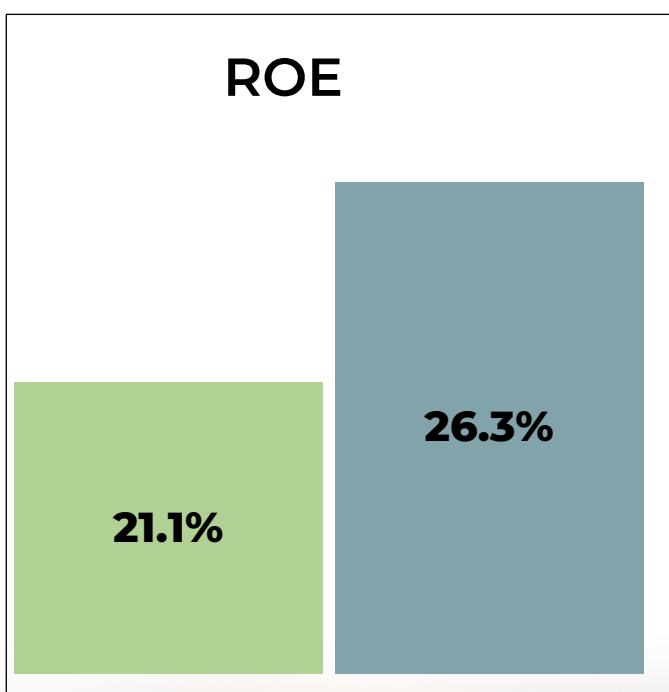
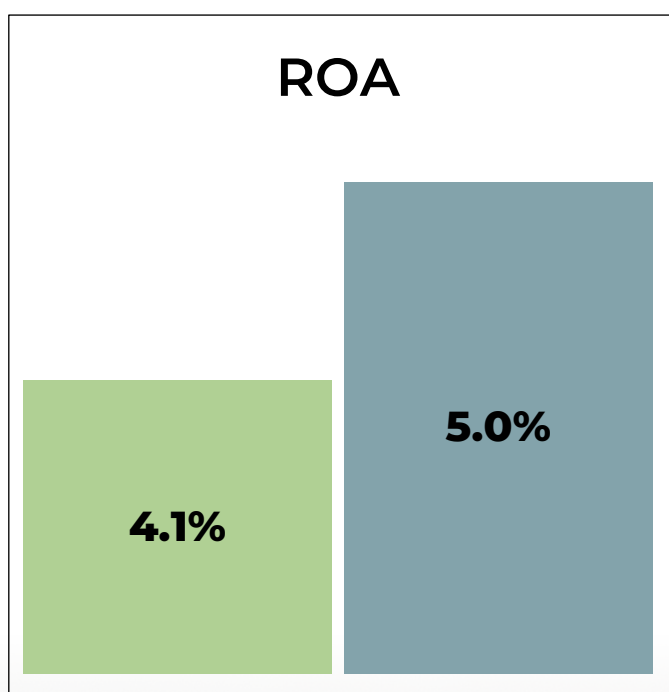
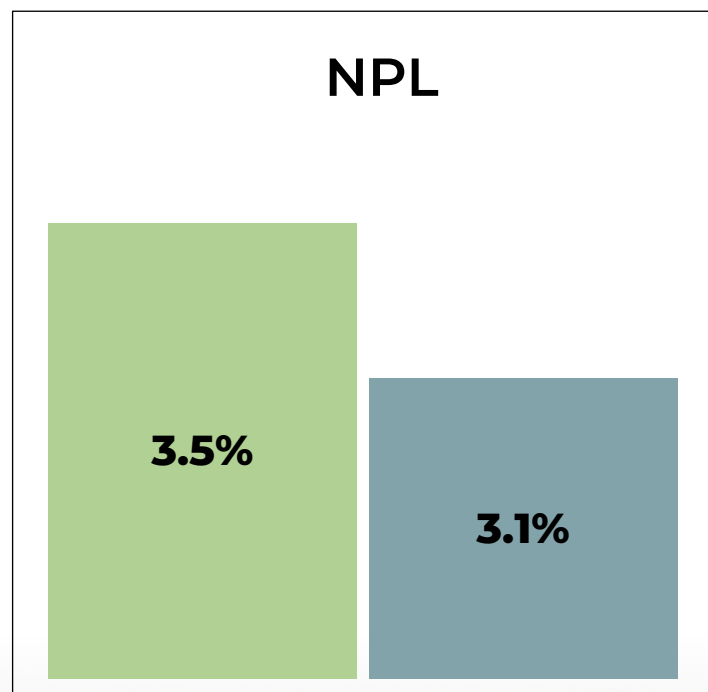
FINANCIAL PERFORMANCE

IR BRIEFING 3Q 2022

Key Indicators

Amount in TZ Bn

				
	Profit After Tax	Total Assets	Net Loans and Advances	Customer Deposits
3Q.2022	257	10,986	6,244	7,531
3Q. 2021	168	8,131	4,550	5,896
YoY Growth	 54%	 35%	 37%	 27%



Key ■ 3Q 2021 ■ 3Q 2022

Group Balance Sheet

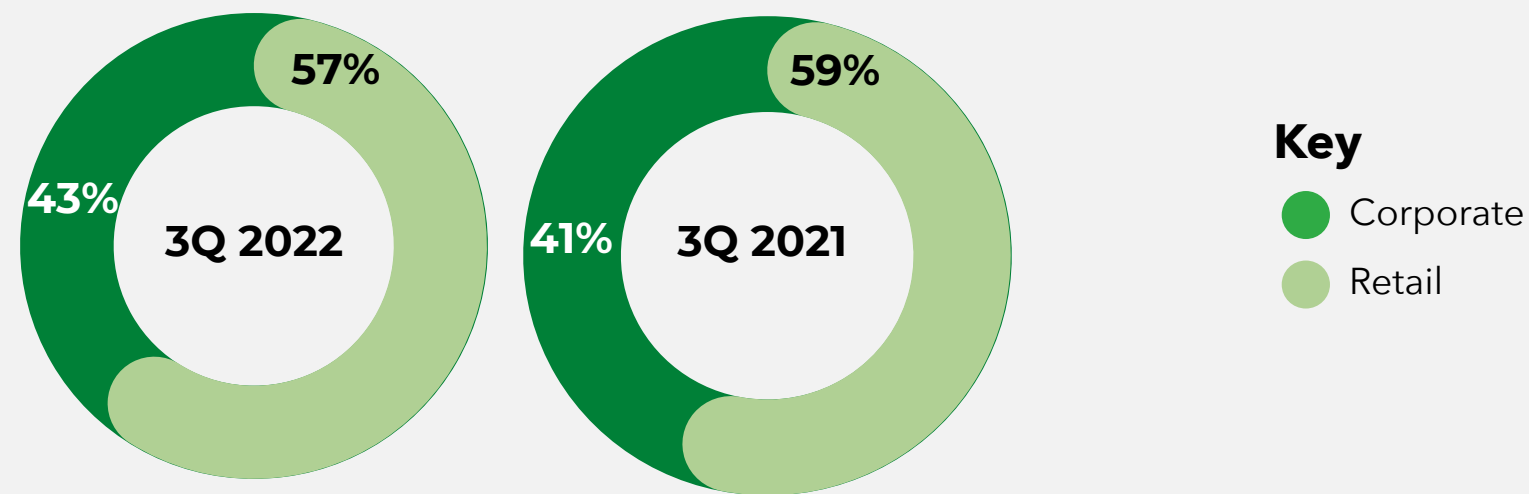
Amount in TZS Billions

	3Q 22	3Q21	YoY Growth
Net Loans & Advances	6,244	4,550	37%
Total Assets	10,986	8,131	35%
Customer Deposits	7,531	5,896	27%
Borrowings	1,683	751	124%
Shareholders' Funds	1,382	1,116	24%

- Total Assets grew by 35% 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 37% 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 (27%) and Borrowings (124%)

Loan Portfolio

Split per Segment



Key
● Corporate
● Retail

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

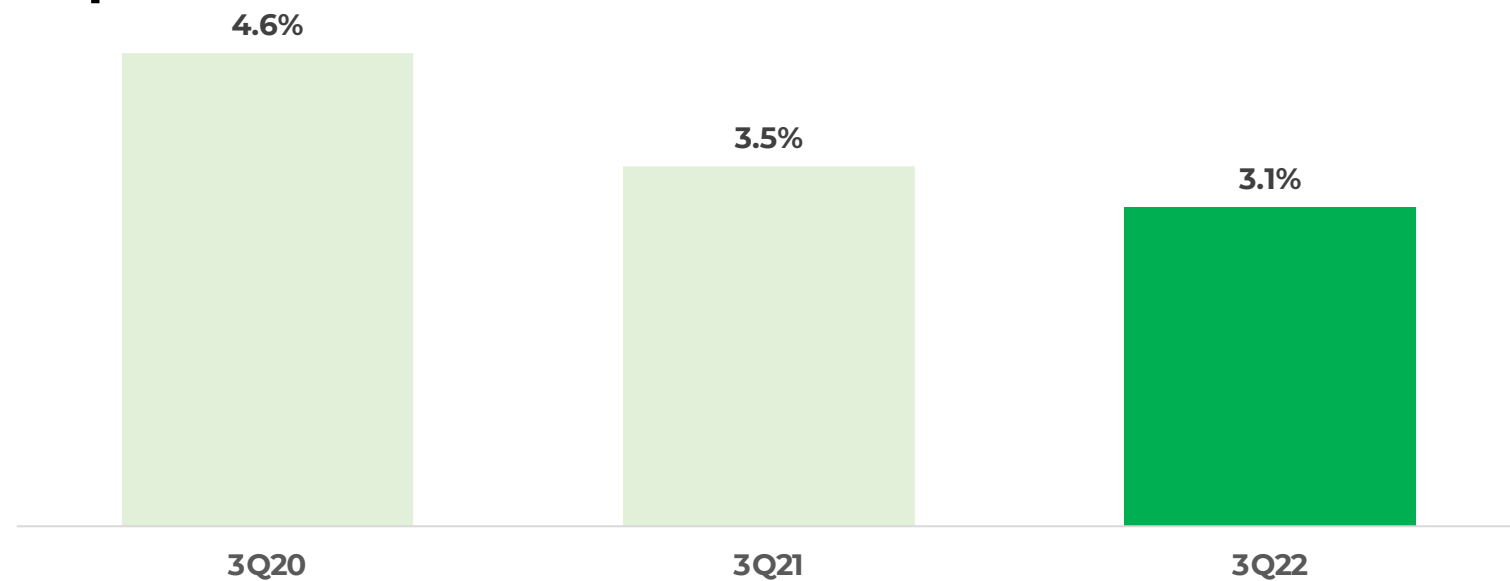
Split per Sector	3Q22	3Q21
Personal	42%	42%
Trade	16%	15%
Agriculture	14%	12%
Manufacturing	6%	5%
Building and Construction	4%	4%
Others	18%	22%

- 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

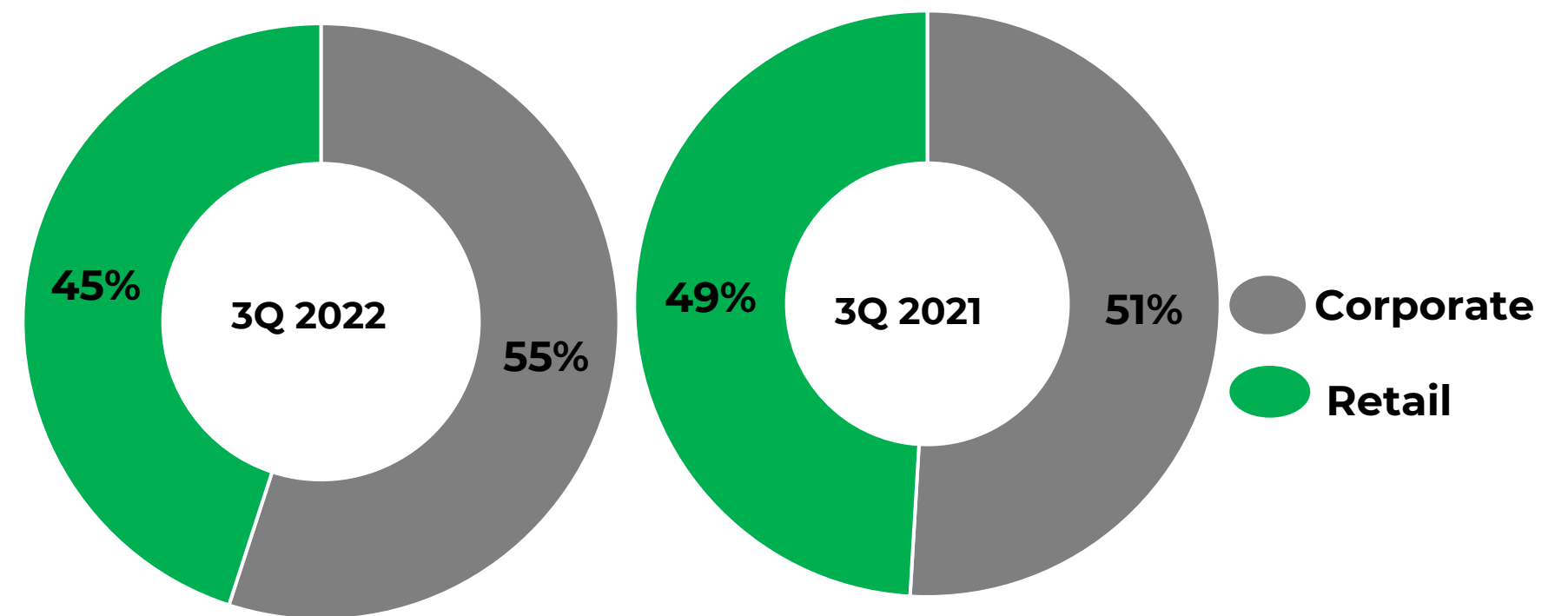
Asset Quality Review



Group NPL Trend



NPL Split by Segment



- The Group's NPL Ratio continues to decline steadily year on year, reaching 3.1% this year from 3.5% recorded in the same period in the previous year.
- NPL Coverage Ratio stood at 73% in 3Q22, above the internal limit of 70%

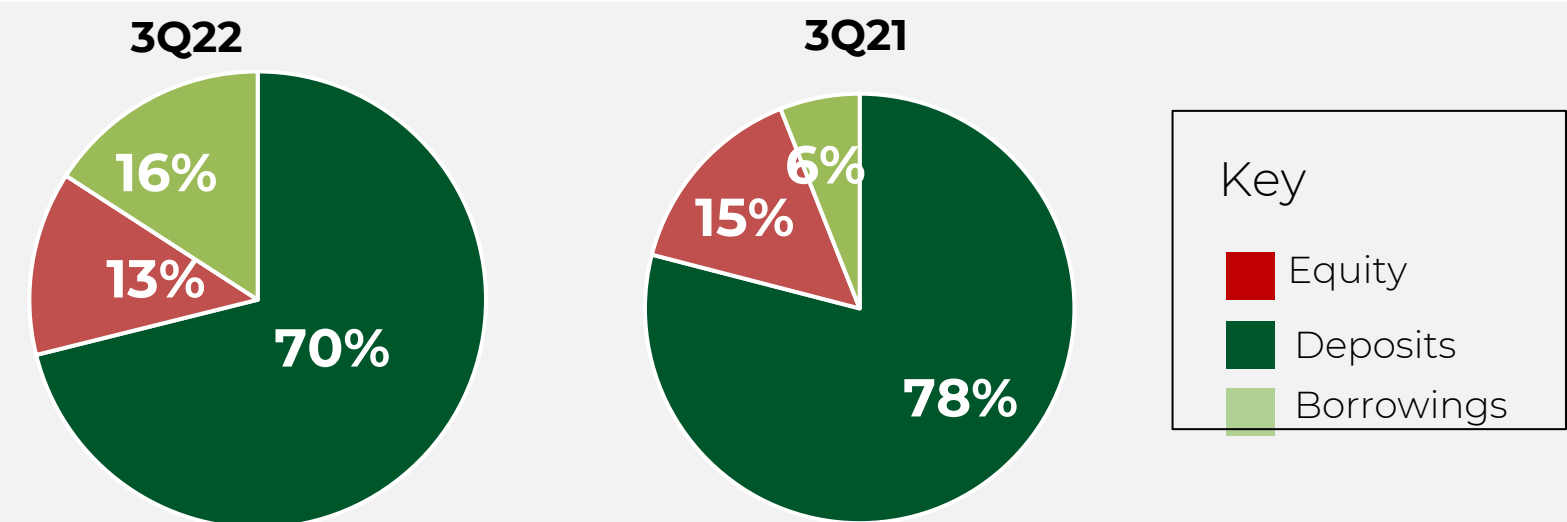
- Corporate Loans continue to make up most of the Bank's non-performing loans.
- The leading contributing sectors are Agriculture and Real Estate

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 28.5% in the third quarter from 28.7% as at end of the first quarter. This is well above the regulatory requirement ratio is 20%

Group Income Statement



Amount in TZS Billions

Income Statement Overview	3Q.22	3Q.21	YoY Growth
Net interest income	531,919	465,353	14%
Non - Funded Income	290,870	186,217	56%
Total Income	822,789	651,570	26%
Operating Expense	155,877	133,649	6%
Loan Impairment Losses	(49,962)	(35,280)	21%
Profit After Tax	256,586	167,576	53%

- The Group's cumulative PAT grew by 53% YoY, reaching TZS 257bn at the end of 3Q22.
- The growth was driven by the Group's concerted efforts to grow income while keeping operating expenses at bay
- In the quarter, NFI contribution to Total income increased to 35% from 29% in the same period in 2022.

Income Analysis



Net Interest Income

In TZS Billions	3Q22	3Q21	YoY Growth
Interest Income	677	570	19%
Interest Expense	(144)	(105)	37%
Net Interest Margin	8.3%	9.4%	(1%)

- Healthy loan portfolio growth resulted in a 19% increase in interest income.
- Increased uptake of time deposits and borrowings drove the interest expense growth
- NIMs shrunk to 8.3% from compressed lending rates and growing deposit rates.

Non-Funded Income

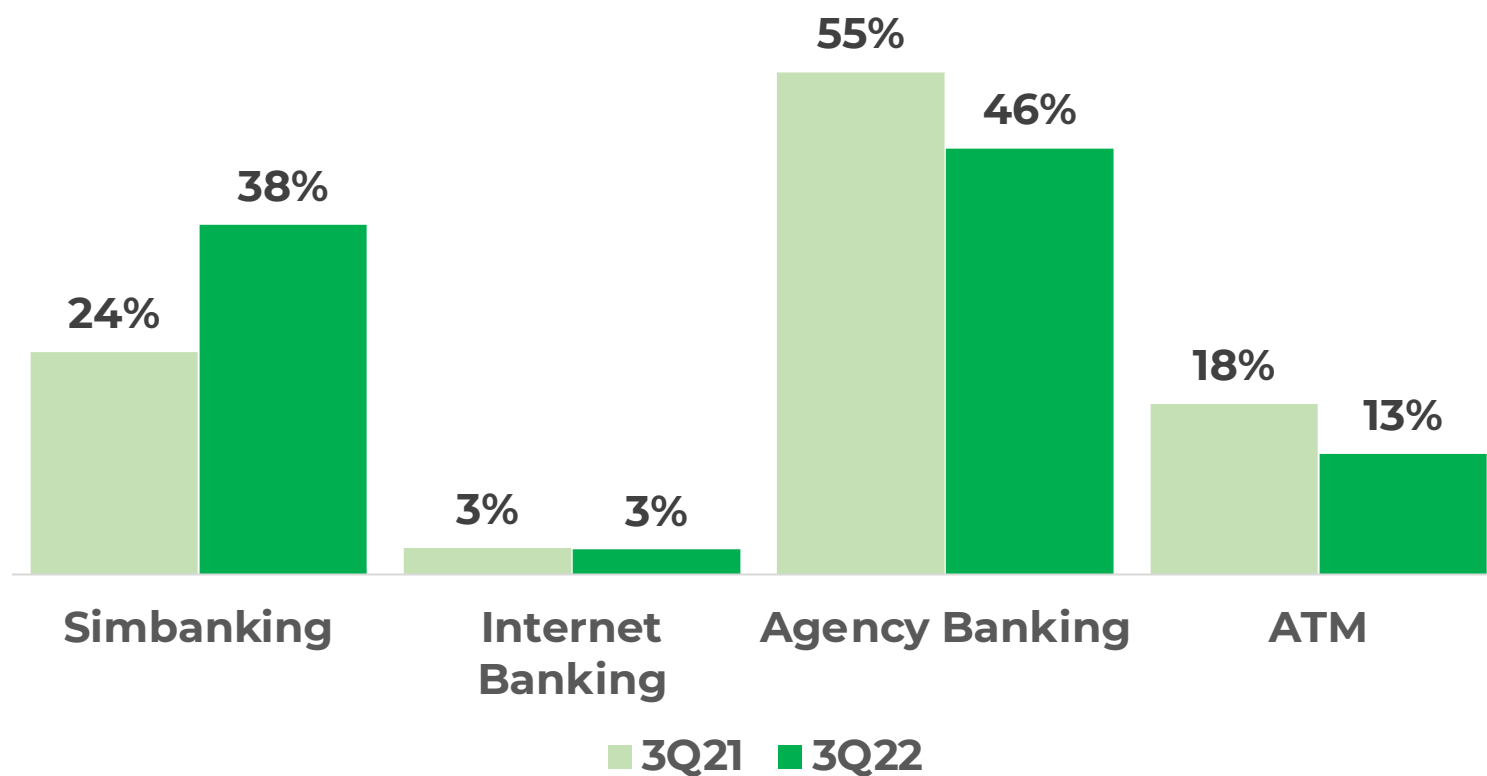
In TZS Billions	3Q22	3Q21	YoY Growth
Forex Income	42	27	56%
Fees and Commission	207	151	37%
Other Operating Income	42	9	367%

- 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

Alternative Channels



Composition of Alternative Channel Transactions (Volume)



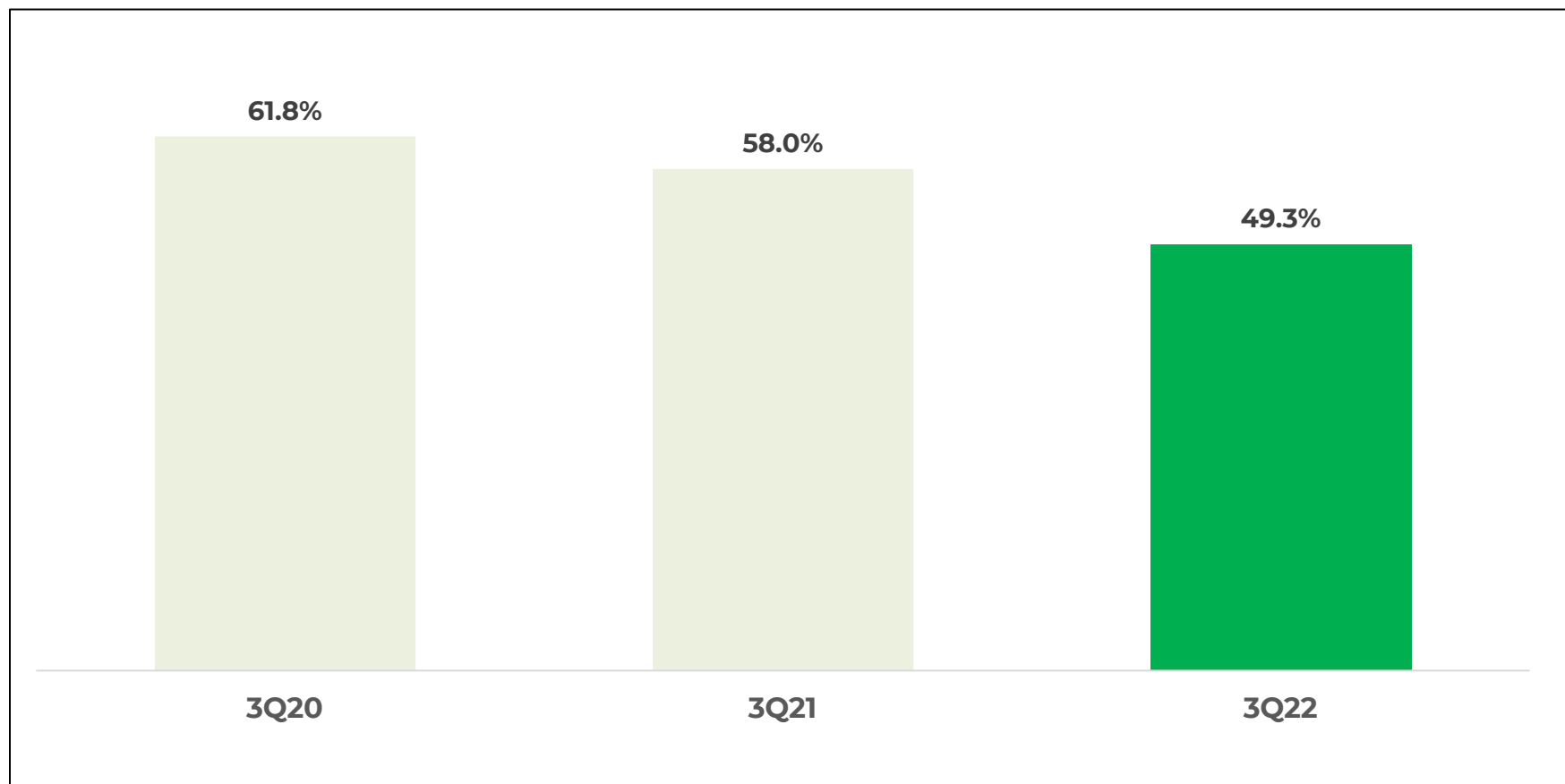
- The volume of transactions on alternative channels grew by 55% from 3Q21 to 3Q22.

Channel	YoY Growth
Simbanking	143%
Internet Banking	49%
Agency Banking	31%
ATM	9%

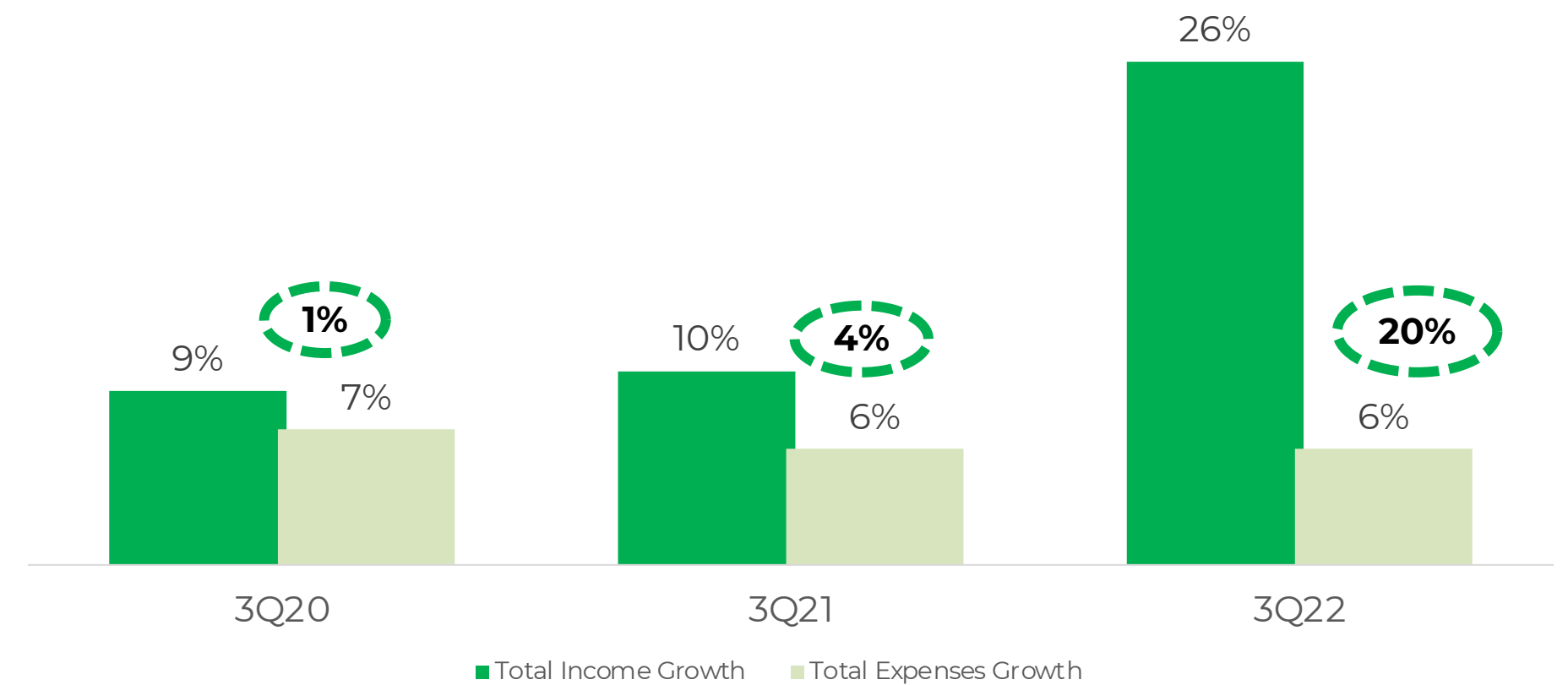
- Agency banking transactions continue to form the bulk of transactions performed outside the branch network. However, on a year-on-year basis, their contribution to total transactions decreased to 46% from 55% in Sept. 2021.
- The increase in Simbanking transactions is a result of numerous promotion efforts following the revamp of the app earlier in the year.

Cost to Income Analysis

CIR Ratio



Cost to Income JAWS



- The cost-to-income ratio continued improving year on year, reaching 49.3% in 3Q22.
- Consequently, the cost-to-income jaws widened to 20% from 4% recorded in the same period in the previous year.

Subsidiary Contribution



Balance Sheet and Income Statement (Figures in TZ Bn)

	3Q22	3Q 21	% Change
Burundi			
Total Assets	773	482	60%
Total Deposits	419	249	68%
Operating Income	34	20	70%
Net Profit	17	9	88%
Insurance	0	0	
Total Assets	7	7.6	-8%
Net Commission Income	0	1.7	-100%
Net Profit	-53	0.8	-6725%

Burundi

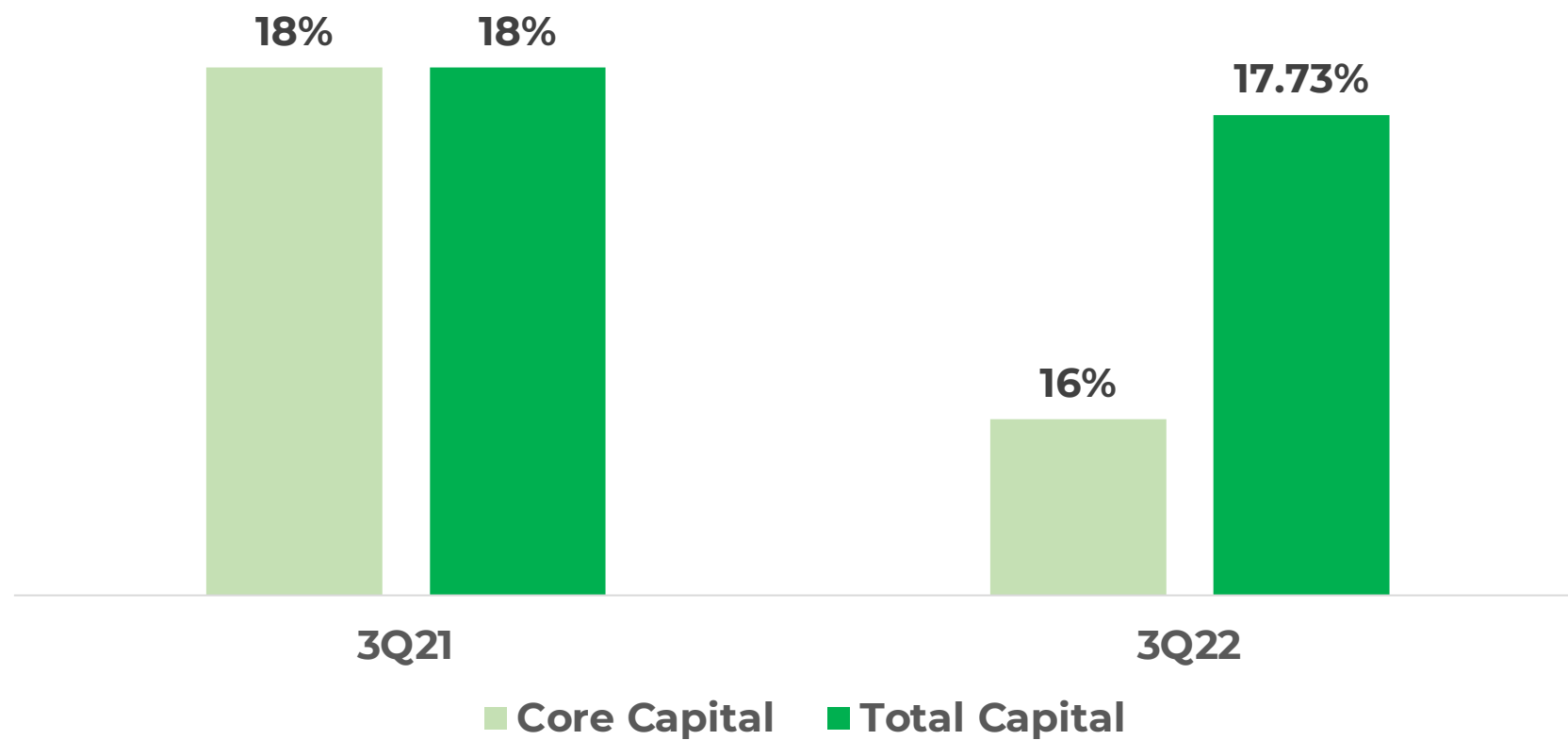
- Strong performance of PAT TZS 17,439 bn, representing a 100% YoY growth.
- The growth was driven by an increase in interest income,

Insurance

- Assets decreased to TZS 7.0 bn, YoY 8% decline, mainly due to a decrease in other assets, particularly the commission receivables portfolio

Capital Management

Both Core Capital and Total Capital are above the regulatory limits of 12.5% and 14.5%, 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.

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



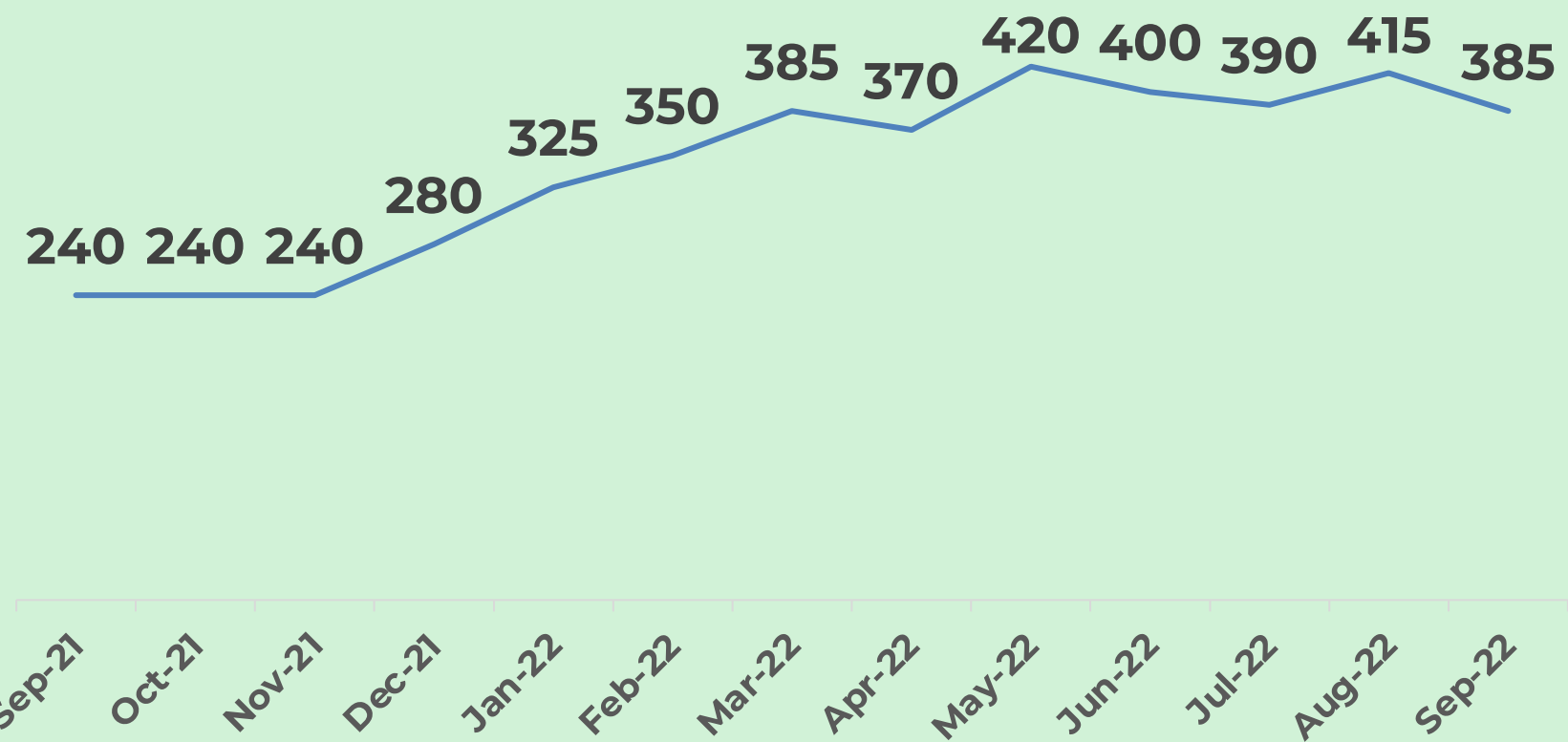
ACCA Accreditation

ACCA approved employer

Investment Information



Share Price Trend



Key Metrics	3Q 2022	3Q 2021	%Change
Market Capitalization(TZS.Bln)	1,006	627	60%
Book Value	529	427	24%
Share Price	385	240	60%

Structure As of 30th Sept. 2022	shares	%
Danida Investment Fund (DIF)	548,067,648	21%
Private and Local Institutions	685,763,448	26%
Local Individual Investors	777,675,151	30%
Foreign Investors	600,332,337	23%
Total Issued Shares	2,611,838,584	100%



WAY FORWARD

IR BRIEFING 3Q 2022



Ongoing Key Initiatives



- Diversify the loan book to reduce concentration
- Establish an R&D function to explore additional revenue generation streams
- Continue with cost optimization initiatives
- Forge strategic partnerships to pursue growth opportunities
- Operationalization of CRDB Congo subsidiary



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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