

CRDB Bank EARNINGS HIGHLIGHTS

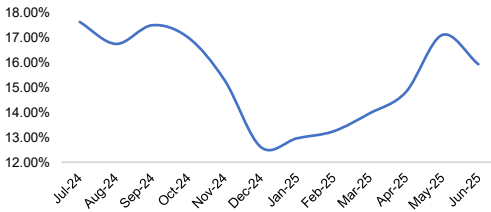
June 2025



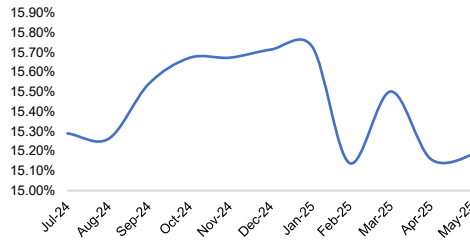
CRDB BANK PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING JUNE 2025

INDUSTRIAL OVERVIEW

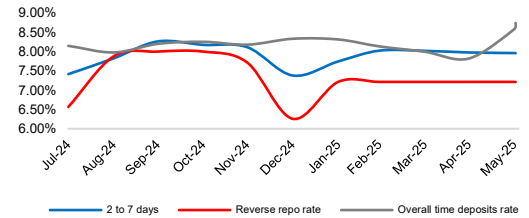
Annual Private Sector Credit Growth



Overall Lending Rate Trend

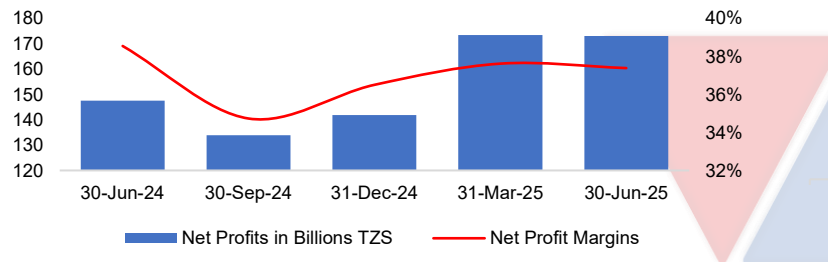


Interbank Cash Market, Reverse Repo & Overall Time Deposit Rates

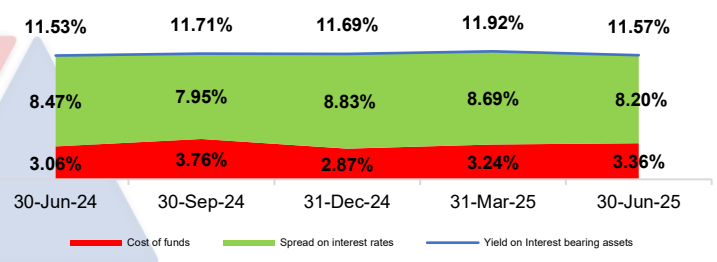


INCOME STATEMENT ANALYSIS

CRDB Profitability Trend



CRDB Indicative Interest Rate Trends



Net Profits dropped by 0.22% QoQ from TZS 173.41 billion as of March 2025 to TZS 173.04 billion as of June 2025.

Reasons:

Foreign currency income experienced a sharp drop of 58.51% from TZS 51.63 billion in Q1'25 to TZS 21.42 in Q2'22 with the sharp drop brought about by a weakening USD following policy uncertainty under the Trump regime, rising debt and shifting interest rate expectations resulting in the TZS to strengthen by 1.14% QoQ from an average TZS 2,679.5690/USD as of 31st March 2025 to TZS 2,619.80/USD as of 30th June 2025 (Source: BoT). This weakening of the USD may have resulted in a reduction of transaction and translation gains brought about by CRDB's increased exposure to the USD which for context made up 94.36% of the Bank's total financial assets denominated in foreign currency

A 10.50% QoQ surge in Fees and Commission Expenses amounting to TZS 22.66 billion brought about by increased commission payouts to banking agents as the number of agents transaction volumes and values continue to surge with latest figures indicating a 19% increase in volumes of transactions from Agency Banking from 87.87 million transactions in 2023 to 104.70 million transactions in 2024 and a 6% YoY growth in the number of registered agents amounting to 36,566. Other operating expenses on the other hand saw a QoQ surge of 5.27% amounting to TZS 89.25 Billion brought about by increased office and administrative expenses.

A negative jaws between interest income and interest expense growth continues to pose a challenge as interest expenses grew 16.81% QoQ amounting to TZS 140.74 billion compared to 10.88% QoQ interest income growth amounting to TZS 475.25 billion indicating thinning net interest margins which continues to remain a prevalent matter across the banking sector as industry-wide numbers indicate a surge in interest rates on deposits and a drop in lending rates as information asymmetry particularly between retail customer and bank continues to narrow.

Income Statement Analysis Amounts in Billions TZS	Jun-24	Sept-24	Dec-24	Mar-25	Jun-25
Net Operating Income	382.64	385.58	388.75	460.99	462.88
Growth Rate	5.23%	0.77%	0.82%	18.58%	0.41%
Operating Expenses	181.38	190.69	188.79	206.82	217.22
Growth Rate	3.14%	5.13%	-1.00%	9.55%	5.03%

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BALANCE SHEET STATEMENT ANALYSIS

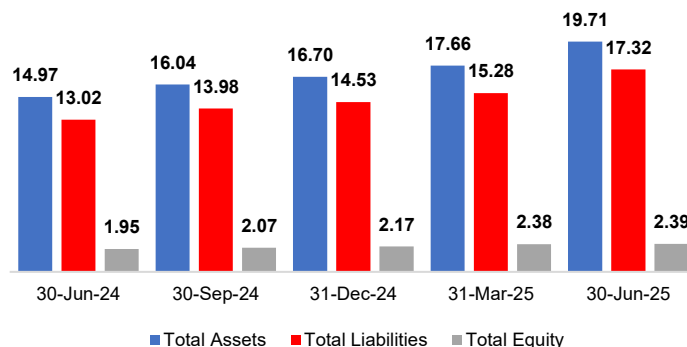
Total assets surged by 11.58% QoQ, the fastest QoQ growth in assets since Q2'21 with total assets standing at TZS 19.71 trillion

Key Drivers:

Customer loans surged by 11.92% QoQ amounting to TZS 12.25 trillion in Q2'25 perhaps due to increased lending towards agriculture, manufacturing, trade and personal loans, a 15.94% QoQ growth in cash and balances with the bank of Tanzania to TZS 2.25 trillion in an effort to maintain liquidity and a 26.20% QoQ growth in interbank loan receivables

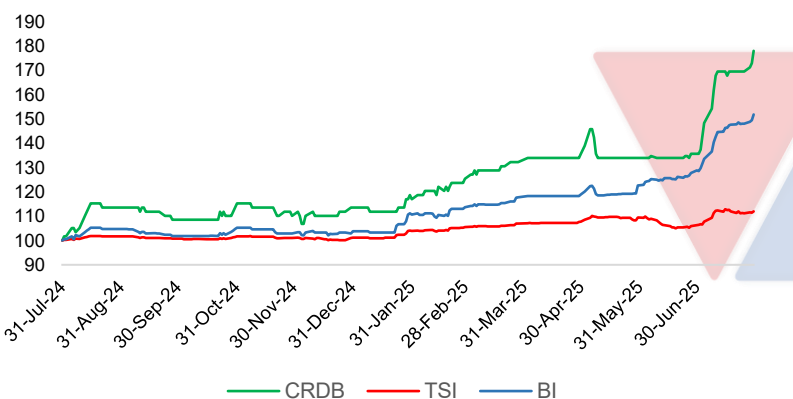
Balance sheet growth was funded by a 16.69% QoQ growth in deposits amounting to TZS 13.94 trillion due to successful implementation of strategies centered around enhanced customer engagement, expansion of agency banking network as well as increased marketing and awareness campaigns

Balance Sheet Highlights in Trillions TZS



INVESTORS' CORNER

CRDB Bank VS TSI & BI 52-Weeks Returns rebased at 100



Supporting Fundamentals

Ticker	CRDB
Closing Price as of 30 th July 2025	TZS 1,050
Book Value per Share	TZS 913.78
P/B Ratio	1.15x
Trailing EPS	TZS 238.24
P/E Ratio	4.41x
ROE	26.07%
ROA	3.16%

* The word trailing indicates the sum of the company's earnings per share from the latest four quarters

OUTLOOK

CRDB's half year profits have surged by 25.99% YoY amounting to TZS 346.45 billion remaining as an outlier in earnings growth amidst decelerating profit growth across the broader banking sector. Key to this success is the growth in net interest income by 21.11% YoY amounting to TZS 642.62 billion despite interest expense growth outpacing interest income growth during the first half of the year. Another success story is the Fees and commission income which saw a 29.84% YoY growth to TZS 264.87 billion following growth in fees from its mobile and agency banking service distribution channels and income from its insurance and bancassurance initiatives all while foreign currency income saw a 81.44% YoY growth amounting to TZS 73.05 billion following a successful slew of profit taking trades between the USD/TZS currency pair particularly in Q1'25 as the TZS weakened against the dollar.

Looking ahead we anticipate the bank to continue to sustain stronger profit growth mainly due to the relaxation of monetary policy stance by the central bank to a more accommodative monetary policy for the second half of the year which has coincided with the drop Central Bank Rates from 6% to 5.75%, and the subsequent drop in the weighted average rates for overnight lending and interbank cash market rates which will help ease the cost of funding pressure felt across the banking sector and thus reducing the negative jaws brought about as a consequence of interest expense growth exceeding interest income growth as has been the case during the first half of the year where interest expenses for CRDB grew at 38.65% YoY compared to 25.71% YoY growth in interest income.

Other attributes that may continue to act in favor of CRDB include increased household income and subsequent demand for credit from the banking sector, increased operational efficiencies and productivity enhancements brought about by the rollout of its new CORE Banking system and the successful implementation of unique strategies centered around enhanced customer engagement, expansion of agency banking network as well as increased marketing and awareness campaigns in an effort to attract cheap deposits.

CRDB BANK PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING MARCH 2025

RATIO ANALYSIS

CRDB Group Ratios:	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2
Capital Structure:								
Borrowings to Equity	130.49%	125.18%	112.56%	131.52%	158.58%	139.57%	123.45%	117.17%
Equity Multiplier	7.92	7.48	7.32	7.69	7.76	7.68	7.43	8.26
Equity to Assets Ratio	12.62%	13.37%	13.66%	13.00%	12.89%	13.01%	13.47%	12.11%
Asset Quality:								
NPL Ratio	3.42%	2.79%	3.19%	3.16%	2.61%	2.89%	3.20%	2.96%
NPL Coverage Ratio	56.25%	50.79%	36.96%	34.94%	43.30%	46.26%	40.38%	45.38%
Cost of Risk	0.10%	0.03%	0.10%	0.12%	0.15%	0.11%	0.16%	0.16%
Management Quality:								
Loan Growth	5.94%	3.97%	4.88%	7.14%	6.32%	2.69%	5.62%	11.92%
Deposit Growth	-0.91%	2.04%	7.03%	6.37%	2.16%	6.46%	8.86%	16.69%
Earning to Total Assets	88.40%	85.70%	84.90%	86.90%	85.70%	81.40%	83.90%	83.40%
Earnings Quality:								
Net Profit Margin	31.87%	39.93%	35.07%	38.54%	34.73%	36.50%	37.62%	37.38%
Net Profit Growth	11.91%	41.68%	-10.42%	15.67%	-9.20%	5.97%	22.20%	-0.22%
Cost to Income Ratio	50.95%	46.90%	46.07%	44.75%	45.97%	45.85%	41.66%	43.44%
Liquidity:								
Loan to Deposit Ratio	98.30%	99.00%	98.20%	98.60%	100.10%	96.80%	93.80%	90.10%
Loans to Deposits & Borrowings	75.32%	76.15%	76.16%	75.04%	74.27%	74.00%	73.56%	73.21%
Liquid to Total Assets	29.71%	26.41%	26.65%	27.20%	30.04%	29.29%	29.13%	29.26%

ANALYST'S NAMES & CONTACTS

Emmanuel Matunda
emmanuel@solomon.co.tz

www.solomon.co.tz

For further information please contact Us : 2124495 /2112874 /0764269090 /0714 269090

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PSSSF House, Ground Floor
Samora Avenue / Morogoro Road
P.O. Box 77049
Dar es Salaam

+255 764 269090
+255 714 269090



research@solomon.co.tz

[@sstockbrokers](#)

[#elimuYaUwekezajiHisa](#)

www.solomon.co.tz