

3Q 2024

Investor Briefing



November 2024

- 1 Our Operating Environment**
- 2 Strategy Execution**
- 3 3Q24 Financial Performance**
- 4 Way Forward**

A black and white photograph of a chess knight piece on a chessboard. The knight is in the foreground, slightly out of focus, with its head turned to the right. The chessboard is visible in the lower portion of the image. A green banner with a white text overlay is positioned across the middle of the image. The text reads "Our Foundations of Success".

Our Foundations of Success

Macroeconomic Overview

- Macroeconomic parameters remained stable with a single-digit inflation rate 3.1%
- Money supply (M3) growth remained steady at 11.4%.
- Private sector credit growth remained strong, rising to 17.5 % in September 2024 from 16.7% in the preceding month.
- Sectors that attracted the most investment include manufacturing, transportation, construction and tourism.
- TZS remained stable trading at an average of TZS 2,727.41 per USD in September 2024, compared to TZS 2,694.25 per USD in the previous month.
- Foreign exchange reserves amounted to USD 5,413.6 Mln at end September 2024 , sufficient for 4.4 months of projected imports and services.

Sector Insights

- The Government has updated its trade policy to accommodate new trade agreements to enhance the country's participation and integration in trade with neighbouring countries.
- Rise in enterprise solutions for corporate customers, enabling clients to manage their local and international payments; trade finance needs.
- Growing focus on sustainability agenda through green and social bonds issuance and development of national strategies and policies
- BOT has issued a circular urging institutions to develop action plans to improve gender representation and inclusivity in leadership roles.

Burundi and Congo Macros Continue to Be Supportive

BURUNDI

After 10 years of operations, the subsidiary is now the most profitable bank in Burundi.

We are committed to maintaining the position by diversifying to more strategic areas.

We've noted supportive improvements in the macroeconomic environment.

CONGO

Commenced its operations in July 2023.

The subsidiary has achieved below projected loss and is on track to break even in the third year as planned.

The Congolese economy is expected to remain resilient with a real GDP growth rate above the sub-Saharan African average.

INSURANCE

Commenced its operations in October 2023.

The subsidiary has achieved above projected loss and expects to break even by the end of the year.

The company also makes significant investments in technology to ensure it delivers seamless insurance services and can effectively compete by expanding into specialized sectors such as agriculture.

CRDB adopts a rigorous approach to screening potential markets, ensuring strong alignment between prospects and the bank's strategic ambitions. Expansion efforts continue to gain ground, with good progress.

Successful Execution of Our Strategy

Key Milestones (1/3)

RINGFENCE THE BUSINESS
Strengthening our service offerings and cementing our presence in the market.



Extended service offerings through integrations with partners to offer affordable and seamless payments e.g. SGR, DP World and Qatar Airlines



Strengthened and digitized internal processes to enhance portfolio monitoring, resulting in enhanced loan book quality.



Completed critical enhancements to digital channels such as Simbanking and Internet Banking to improve the user experience.



Revamped and introduced a new SME solution (Biashara Account) with value-added services to ringfence the SME business



Strengthened and Implemented **robust customer support** (WhatsApp chatbot) to quickly **resolve** and **address** customer **needs**.

Successful Execution of Our Strategy

Key Milestones (2/3)

GROW THE BUSINESS

Tap into unrealized potential and introduce offerings that are new to the market.



Launched **Tembo Virtual Card** in Partnership with **UnionPay** International to enable access to **secure online payments**



Leveraged **regional and international networks** (DBSA & IDC) to invest in a strategic sector (Mining - Mahenge Graphite Project)



Activated seamless cross border payments through the bank's subsidiaries in DRC and Burundi, customers can now seamlessly pay TRA taxes.



Introduced **Sadaka account** to drive **inclusive financing** in accordance with **Sharia compliance banking**



Partnered with **UNDP's FUNGUO Innovation program** to amplify our efforts to support startups and **build a future pipeline of businesses**

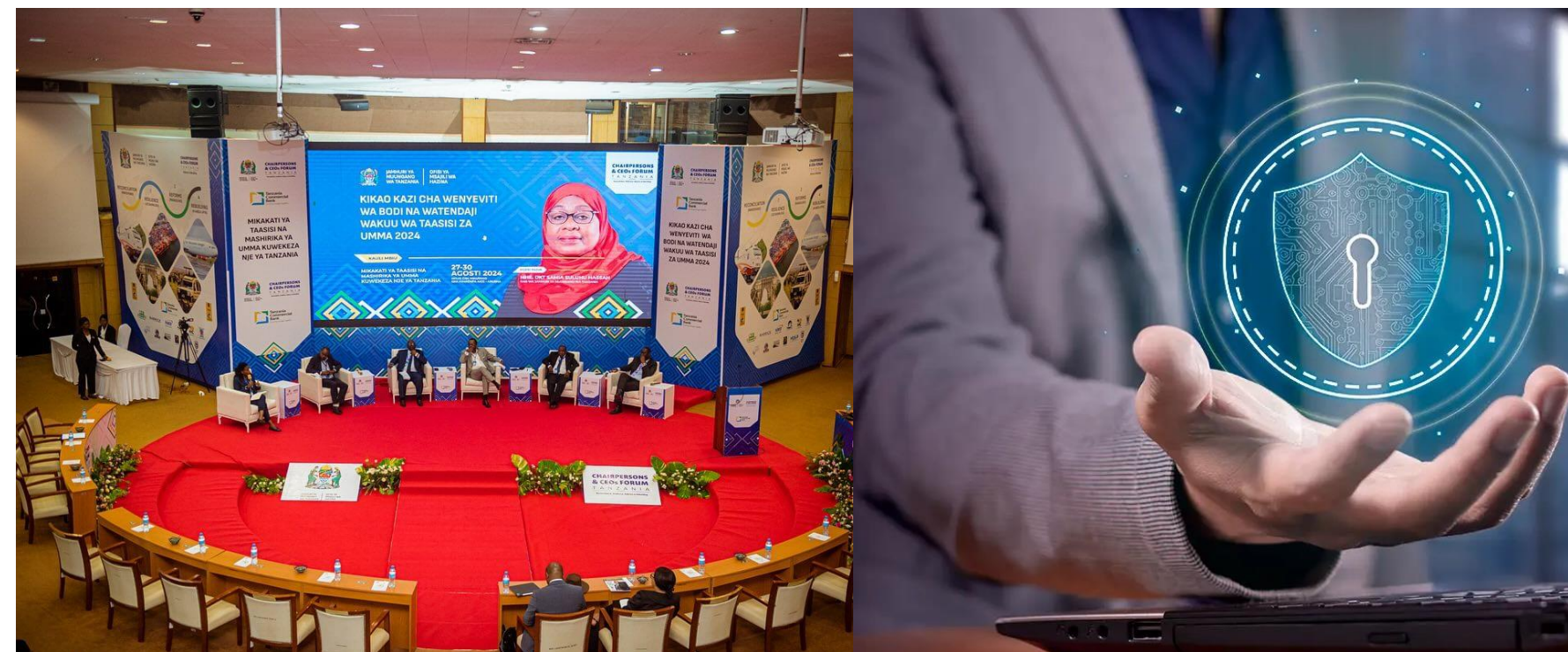


Successful Execution of Our Strategy

Key Milestones (3/3)

FUTURE PROOF THE BUSINESS

Enhance sustainability and governance. Explore new horizons to adapt to evolving market demand.



Scaled up investments in key technological capabilities to counter cybersecurity threats, understand trends and best practices to protect against phishing and social engineering.



Invested in staff development and dedicated training to upskill our workforce in leadership, technical skills as well as compliance and regulations.



Continued to roll out sustainability practices across the organization, including in our own operations e.g. water filtration, energy efficiency and sustainable waste management practices.



Successfully implemented process improvements to align with the new personal data protection regulations.



Continued to enhance engagements with relevant stakeholders, including the government, public and private local and international bodies.

Notable Engagements & Milestones

Throughout the Quarter, we successfully executed strategic initiatives focused on capitalizing on opportunities in **priority segments**, broadening our **community impact**, and fostering a **culture of innovation**



Introduced Uniloan, a digital loan for university students, to assist them in covering their registration fees promptly.

Partnered with renowned international players (e.g. DFC and CitiBank) to **grow our funding** base and derisk facilities to underserved business segments e.g. women & youth.

Collaborated with the Tanzania Women Chamber of Commerce to empower women-led enterprises by helping them utilize cross-border trade opportunities to expand their businesses

Launched the CRDBX challenge initiative to promote an innovative culture by inviting employees throughout the organization to submit their ideas

“The Bank has made promising strides in ensuring digital transformation and innovative solutions enhancing customer experience and service efficiency.



Received prestigious awards:

- Best Mobile Banking App
Awarded by Global Finance Magazine
- Best Bank in Mobile Banking
Awarded by International Business Magazine
- Most Sustainable Bank in Tanzania
Awarded by Gazette International
- Most Innovative Bank in Tanzania
Awarded by Gazette International

Key Performance Highlights

**PROFIT AFTER TAX
(YOY)**

**TZS Bn
409**



Industry average growth :
35%

**TOTAL ASSETS
(YOY)**

**TZS Bn
16,045**



Market share : 27%

**NET LOANS
(YOY)**

**TZS Bn
10,091**



Market share : 29%

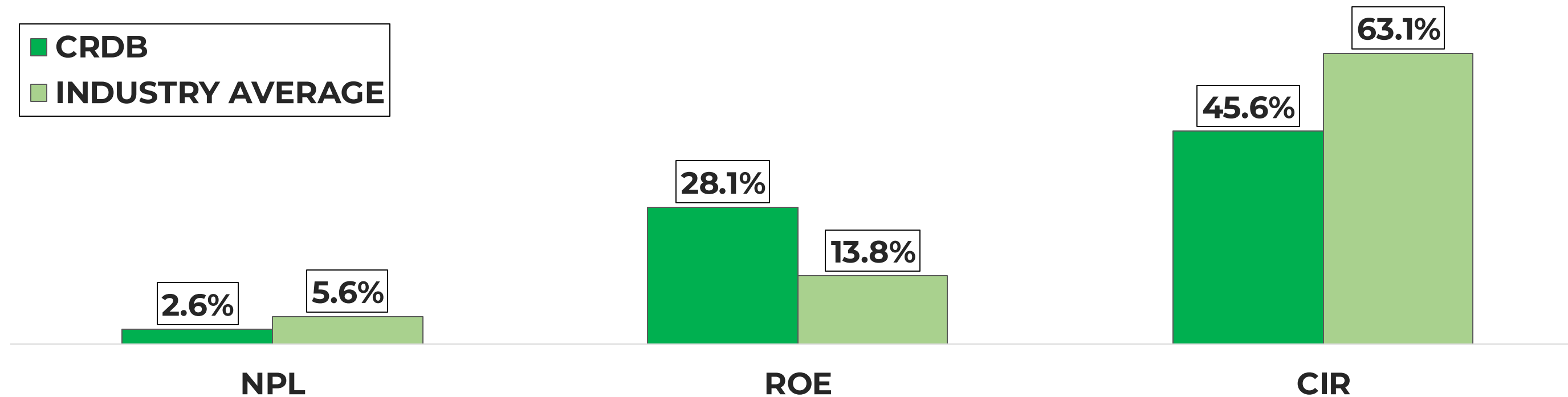
**CUSTOMER
DEPOSITS (YOY)**

**TZS Bn
10,144**



Market share : 25%

■ CRDB
■ INDUSTRY AVERAGE



A close-up photograph of a chess knight piece on a chessboard. The knight is positioned on the left side of the frame, facing right. The chessboard has a checkered pattern. A large, semi-transparent green banner is overlaid across the middle of the image, containing the text "Financial Performance" in white. The background is dark and out of focus, showing other chess pieces.

Financial Performance

Solid PAT Growth – 46% YoY

TZS Billions	3Q 2024	3Q 2023	% Growth
Interest Income	1,122	861	30%
Interest Expenses	(316)	(251)	26%
Net interest income	805	610	32%
Non - Funded Income	396	323	23%
Operating Expense	548	471	16%
Loan Impairment charges	(70)	(50)	40%
Profit After Tax	409	280	46%

- PAT grew by **46% to** TZS 409 billion from TZS 280 billion.
- The growth was driven by:
 - interest income – growth in loan portfolio pricing and realignment.
 - Non-funded income from strong performance of transactions channels such as Sim Banking, ATM, and Cards transactions derived from enhanced service capabilities and systems.

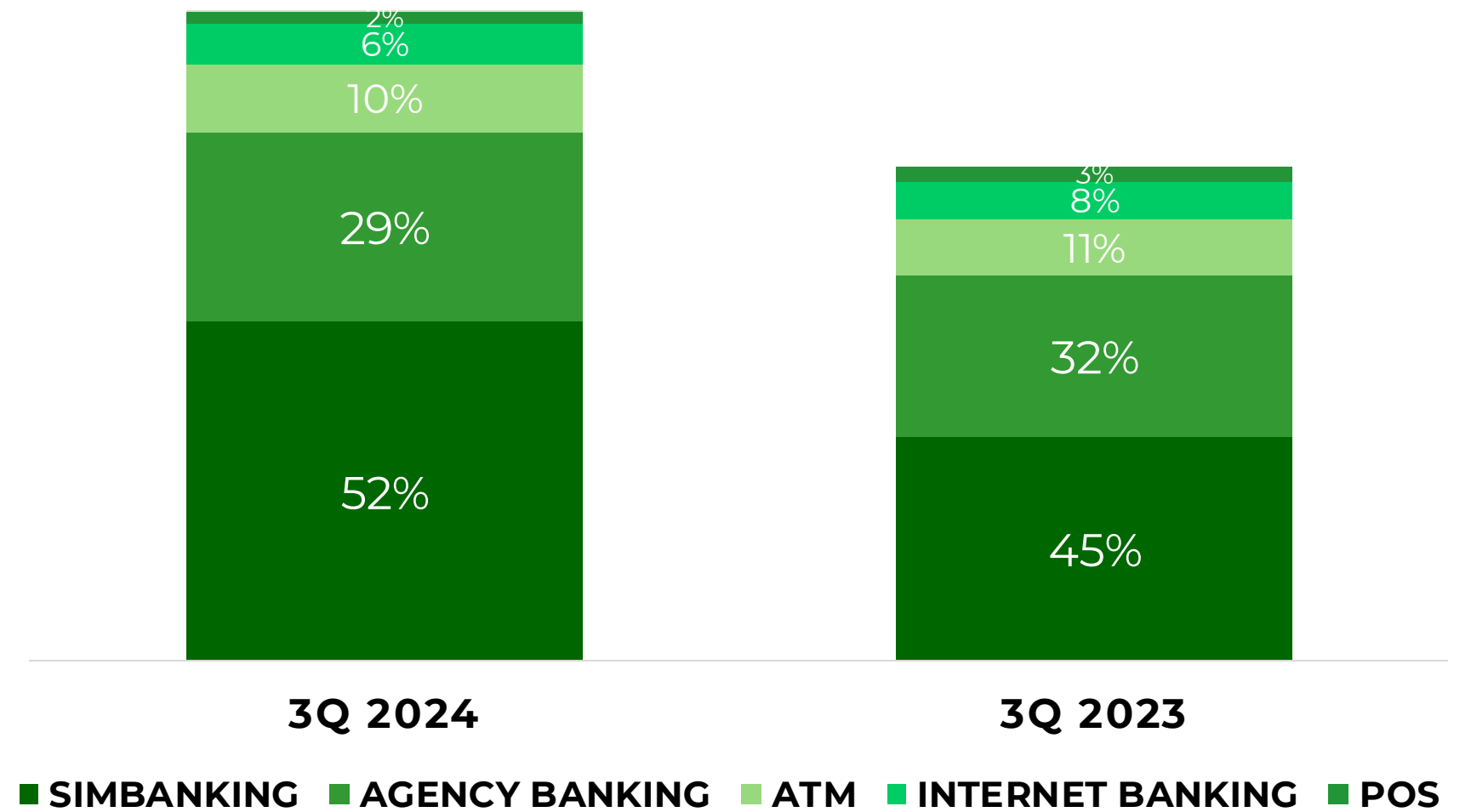
- NIMs improved to **8.9% in 3Q 2024** from 7.8% in 3Q 2023 driven by improvement in performance of earning assets, effective interest rate spread.
- The **cost of funds remained at 3%**, mainly due to the diversification of the funding sources.

Fees & Commission: 80% of NFI

TZS Billions	3Q 2024	3Q 2023	% Growth
Forex Income	57,463	52,521	9%
Fees and Commission	321,160	257,760	25%
Other Operating Income	17,625	12,550	40%

- NFI contribution to Total Income increase to 39% from 35% in the same period last year..
- Fees and Commission contributed **over 80%** to the Non-Funded Income (NFI).
- Other operating income grew by 40% YoY mainly contributed by income from the custodial business under the Treasury Unit.

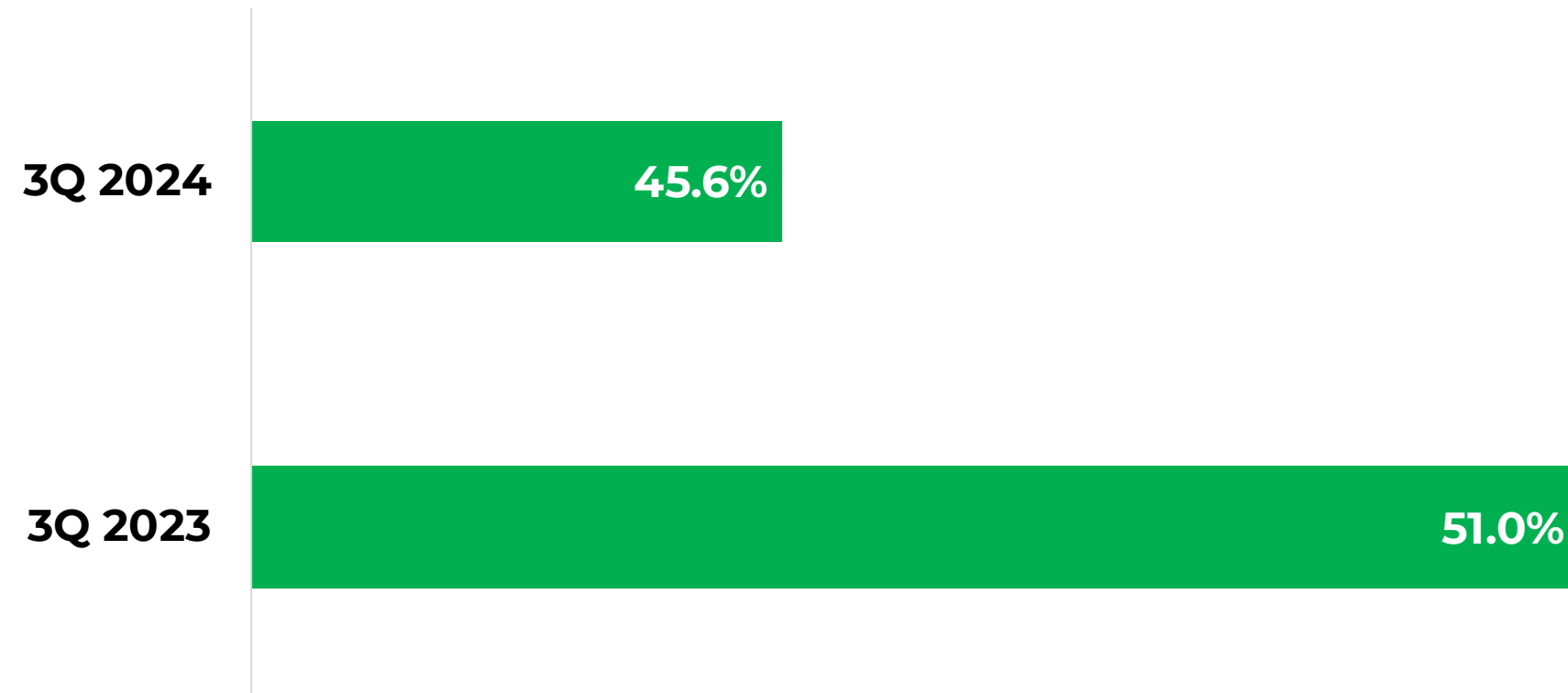
INCOME FROM ALTERNATIVE CHANNELS



- Alternative channels income contributed to **44% of Fees and Commission**, mainly driven by increase in transaction volumes on SimBanking with 51% YoY growth and Agency Banking with 19% YoY growth.

Improved Efficiencies – CIR 45.6%

Cost to Income Ratio



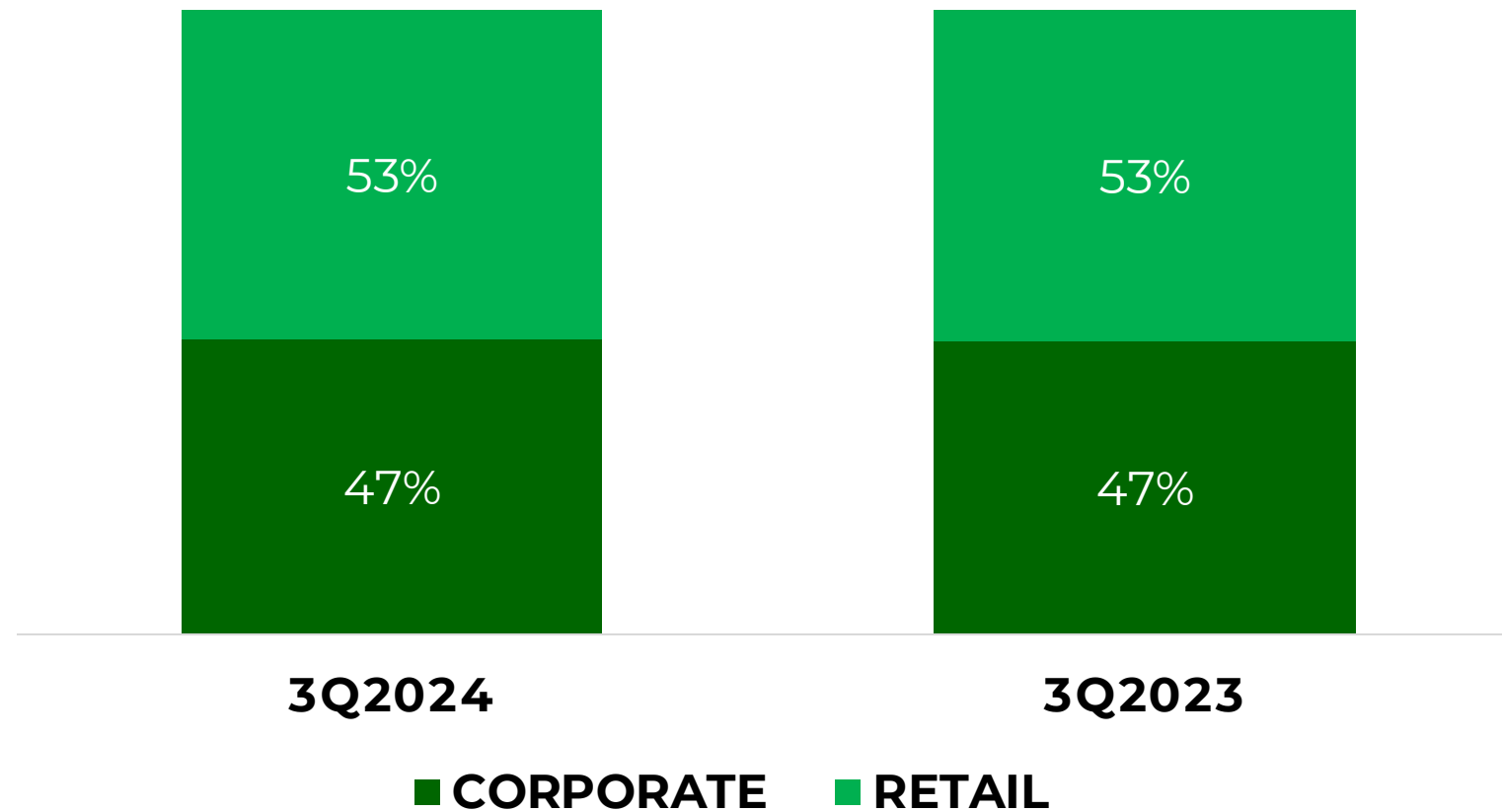
- The Group's YTD operating expenses grew to TZS 548 billion, a 16% growth from TZS 471 billion recorded in the same period in 2023.
- The growth was driven by:
 - ✓ Business Diversification – subsidiaries and markets;
 - ✓ Growth in business activities and the implementation of strategic initiatives;
- Improved efficiencies to 45.6% from 51.0% in the previous year resulting from our investment in technology and digital transformation, as well as cost containment strategies.
- The cost to income remains below the regulatory limit of 55%

Strong Balance Sheet Growth

TZS Billions	3Q 2024	3Q 2023	% Growth
Net Loans & Advances	10,091	8,123	24%
Total Assets	16,045	12,760	26%
Customer Deposits	10,144	8,573	18%
Borrowers Funds	3,281	2,102	56%
Shareholders Fund	2,069	1,611	28%

- Group balance sheet grew 26% from 3Q2023 to TZS 16 trillion mainly driven by 24% growth of loan book.
- Group customer deposits increased by 18% to TZS 10 trillion.
- The Group's contingent liabilities grew by 46% to TZS 4.9 trillion from TZS 3.3 trillion recorded in 3Q2023

Loan Portfolio Split



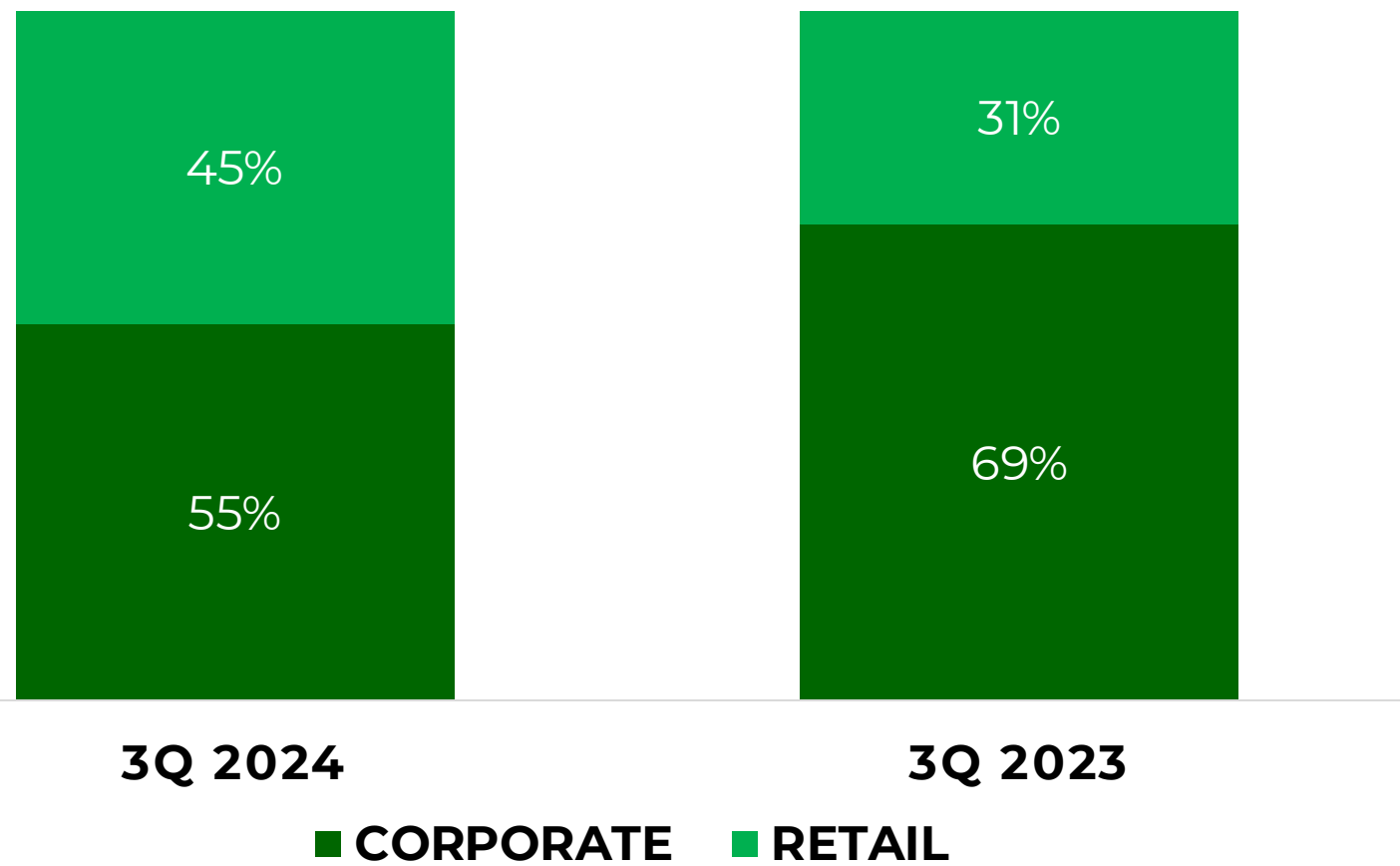
- Corporate and retail loans contribution maintained at 47% and 53% in 3Q 2024, similar to 3Q 2023.

Split per Sector	3Q 2024	3Q 2023
Personal	36%	38%
Agriculture	18%	19%
Trade	13%	17%
Manufacturing	8%	5%
Building and Construction	4%	4%
Others	19%	16%

- Portfolio composition to key economic sectors focuses on the client’s ecosystem and expanding initiatives including in the manufacturing sector.
- Year on year, the trade portfolio shrank to 13%, agriculture to 18%, and personal to 36%.
- Other sectors include transport and communication, mortgage, real estate and education.

Good Asset Quality – NPL at 2.6%

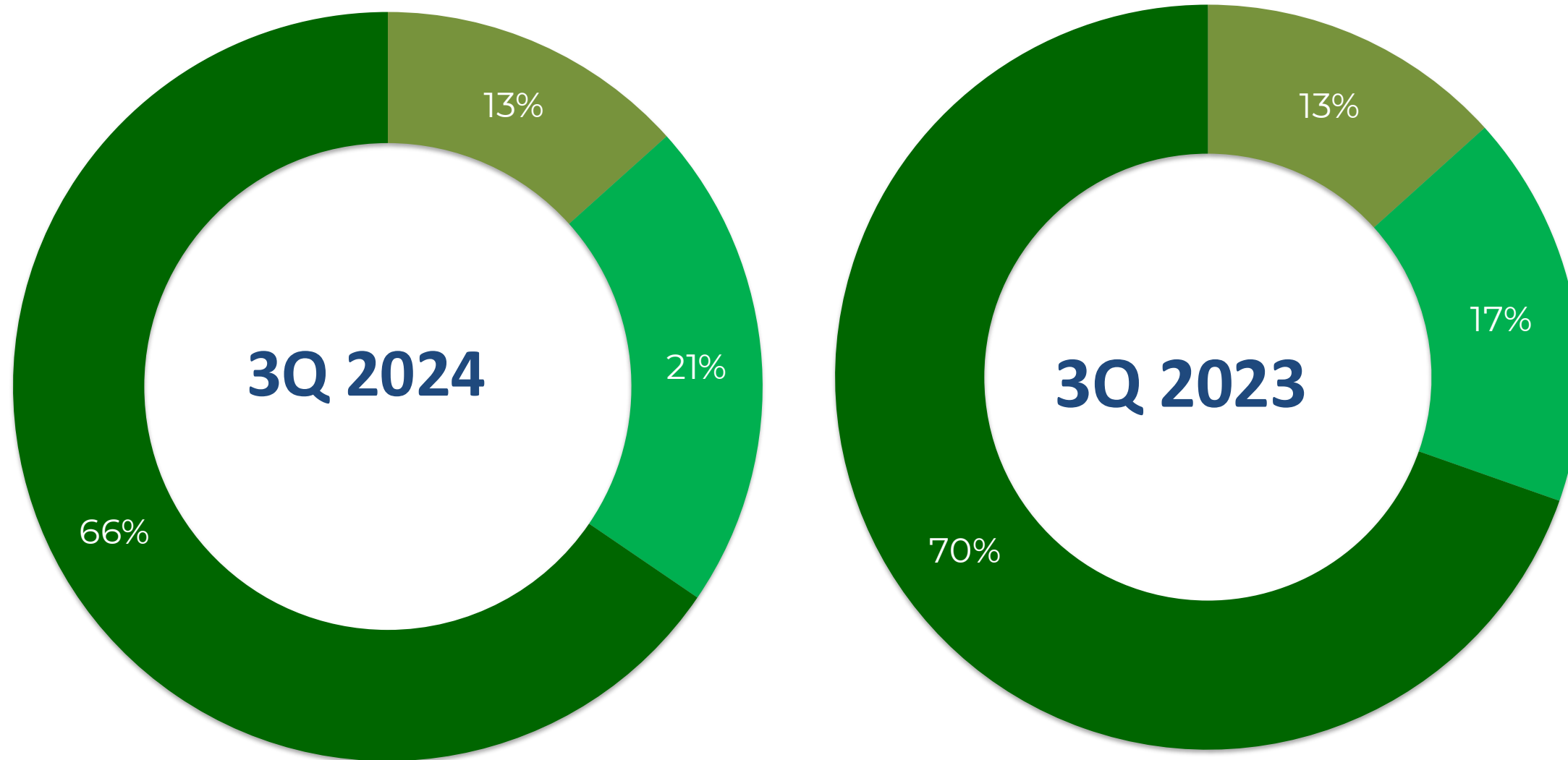
NPL Split per Segment



Top Five Contributing Sectors

Sector	3Q 2024	3Q 2023
Agriculture	42%	42%
Trade	16%	12%
Personal	19%	12%
Building and Construction	9%	2%
Real Estate	4%	15%
Others	10%	16%

- Non-performing loans (NPL) shrank to **2.6% of total loans**, below the regulatory requirement of 5%, affirming our rigorous credit risk management practices and stronger borrower performance in key economic sectors such as agriculture.
- In the quarter, NPL Coverage increased to 43% from 35% in the previous quarter.

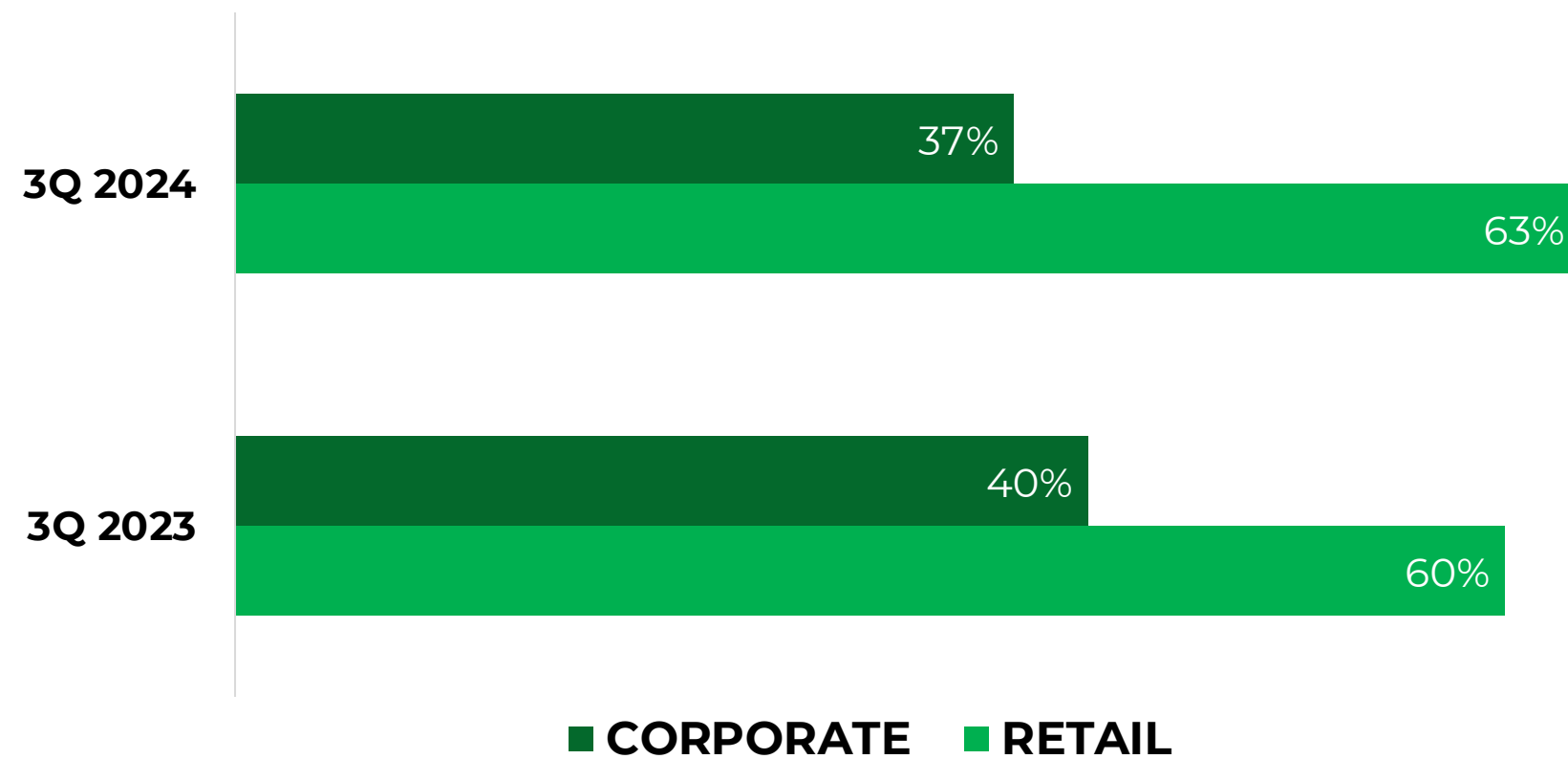


■ SHAREHOLDER'S FUNDS ■ BORROWINGS ■ DEPOSITS

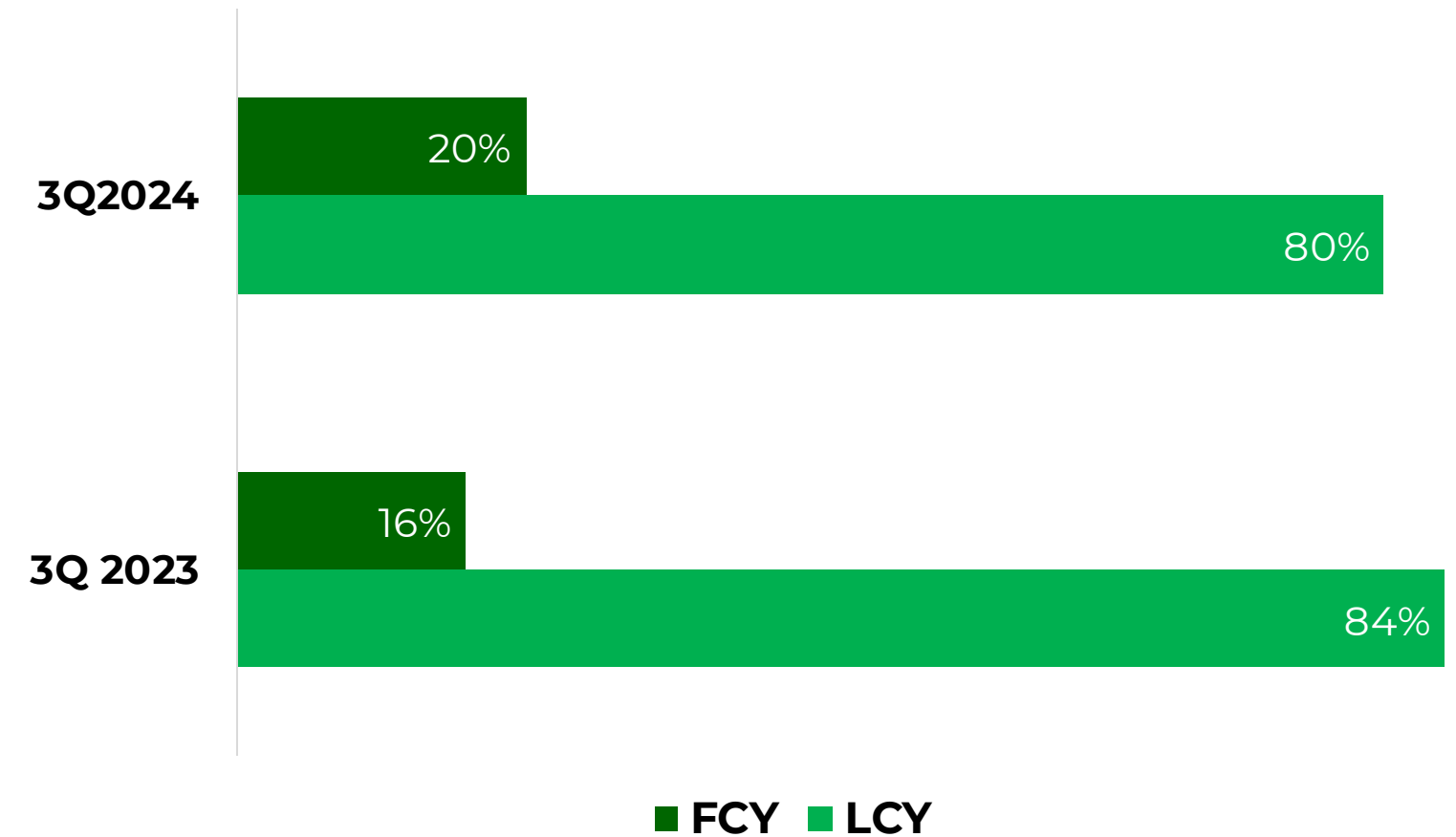
- The Group closed the third quarter of the year with a **liquidity ratio of 27.6%**, well above the regulatory requirement ratio of 20%.
- **66% of the funding** came from deposits, compared to 70% in the same period last year.
- The borrowings composition increased to 21% from 17% in 3Q 2023 to support growing demands for long-term funding and earning assets.

Deposit Mix - CASA at 82%

By Segment



By Currency

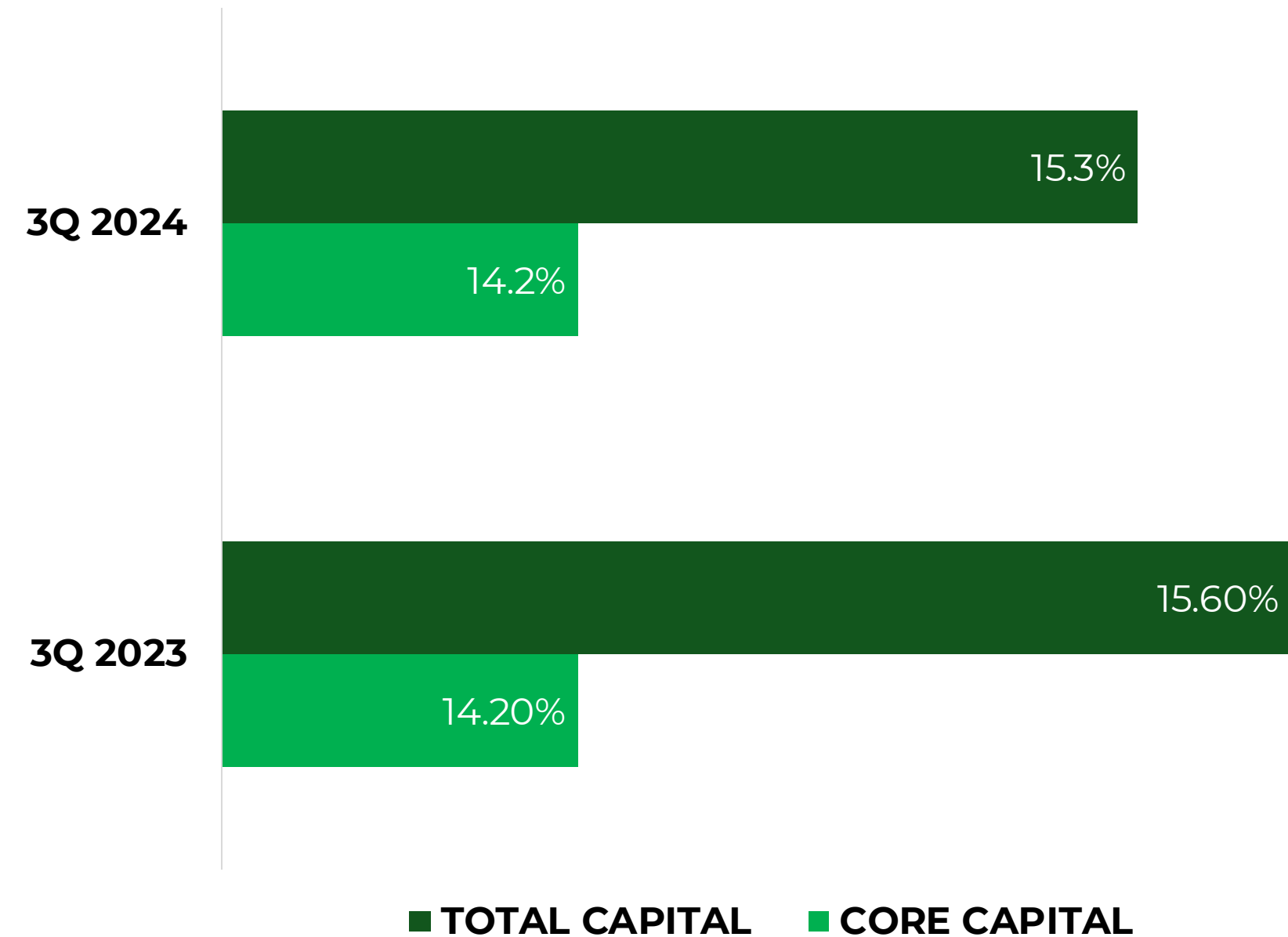


- In 3Q 2024, customer deposits grew to TZS 10.1 trillion, an 18% growth from TZS 8.6 trillion in 3Q 2023.
- As of 3Q 2024, **63%** the deposits were retail and **37%** corporate.
- CASA composition to total deposits maintained at 82% in 3Q 2024 similar to 3Q 2023,

- In 3Q 2024, foreign currency deposits increased to 20% from 16% recorded in 3Q 2023, reflecting heightened depositor preference in foreign currency holdings and supporting trade financing growth.

Adequate Capital To Drive Growth

- The Group closed the third quarter with a Core Capital ratio of **14.2%** and a Total Capital ratio of **15.3%**, surpassing the regulatory requirements of 12.5% and 14.5%, respectively.
- The Bank has implemented Basel II and Basel III in line with BOT guidelines.
- The Bank continues to focus on prudent capital management and managing risk-weighted asset growth to support future business growth.



Regulatory Limits

Core Capital – **12.5%**
Total Capital – **14.5%**

Growing Subsidiary Contribution – 6%

(TZS Millions)	3Q 2024	3Q 2023	YoY Growth
Burundi			
Total Assets	1,483,242	933,725	59%
Total Deposits	733,075	524,262	40%
Operating Income	36,371	28,234	29%
Net Profit	29,007	18,352	58%
DR Congo			
Total Assets	131,630		
Total Deposits	16,874		
Operating Income/Loss	(9,044)		
Net Profit/(Loss)	(9,108)		
Insurance			
Gross Written Premium	19,599		
Number of policies	18,151		
Net Profit/(Loss)	(501)		

Burundi

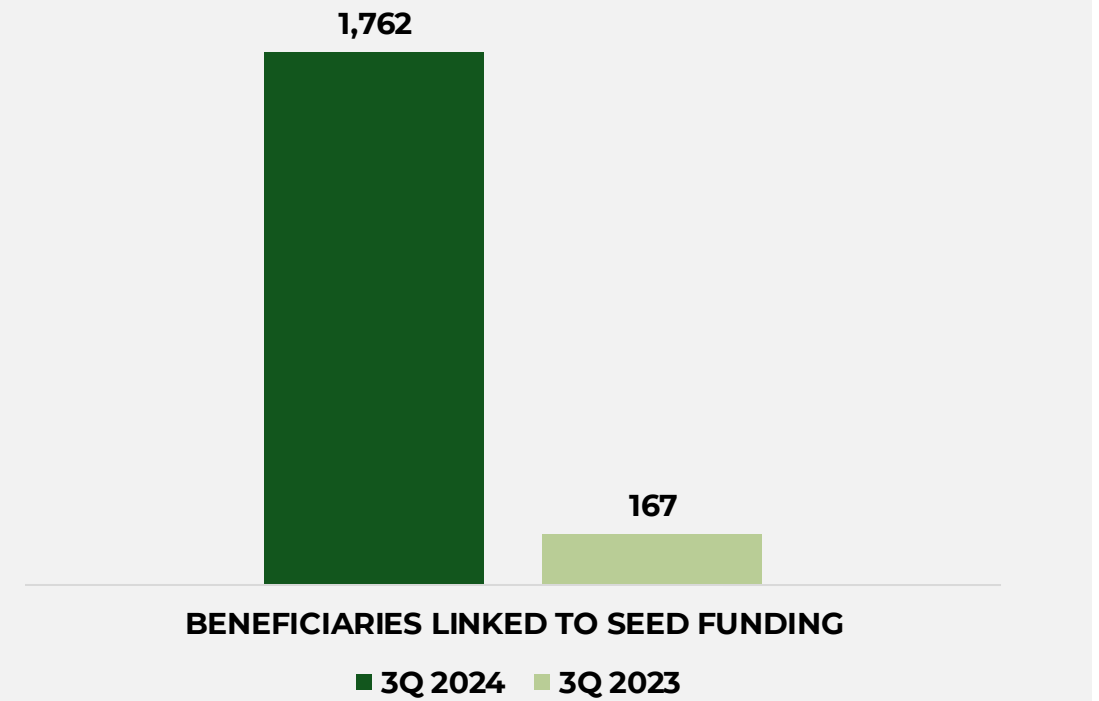
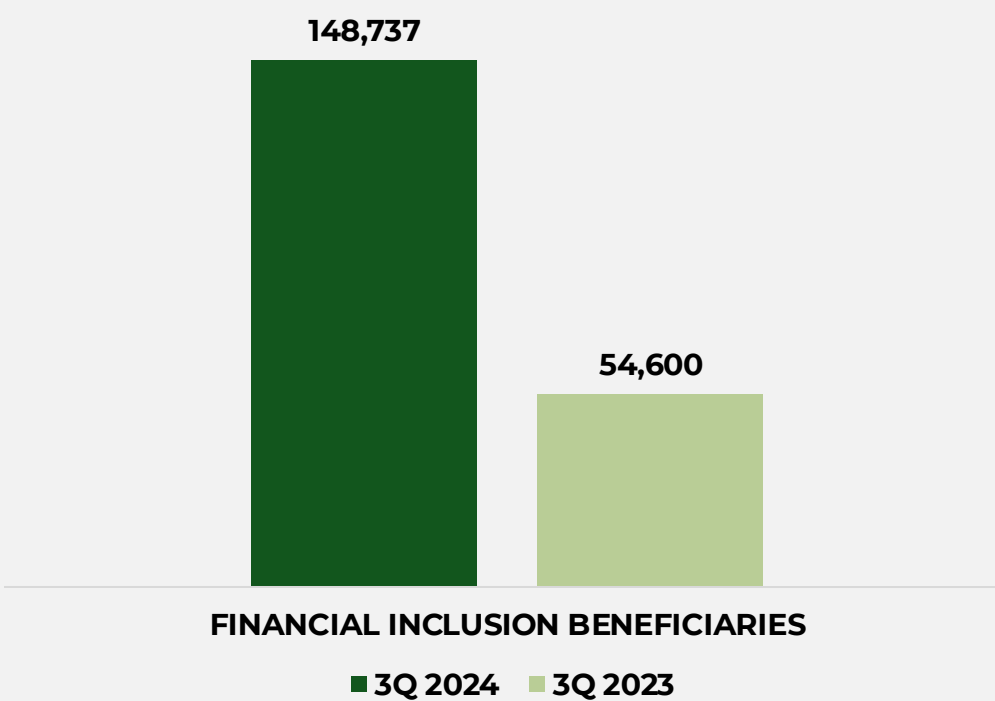
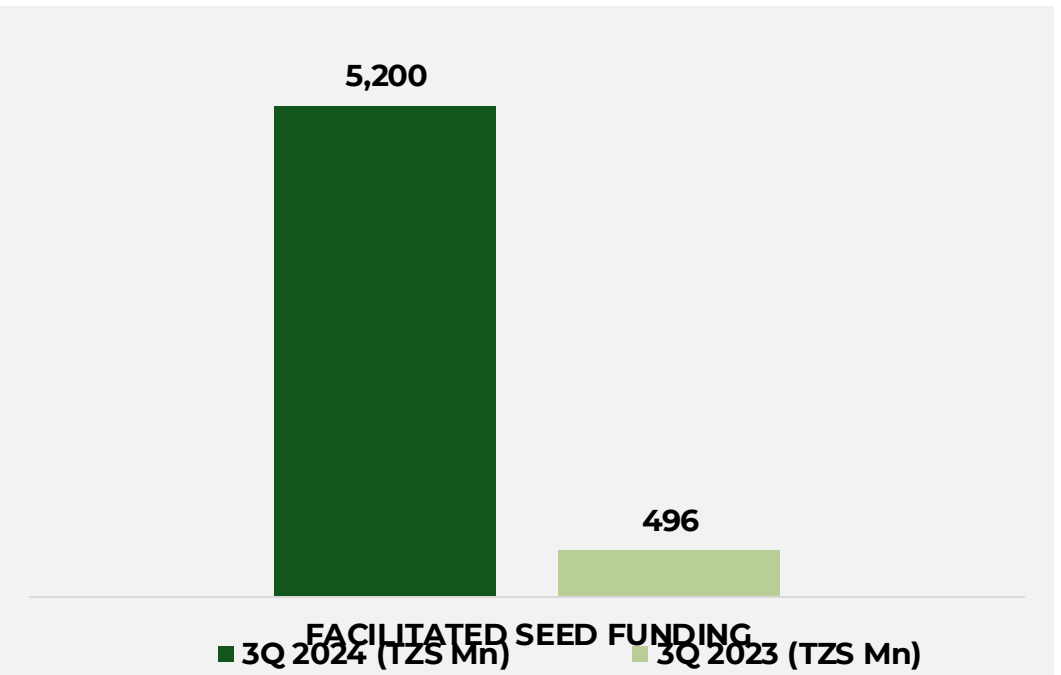
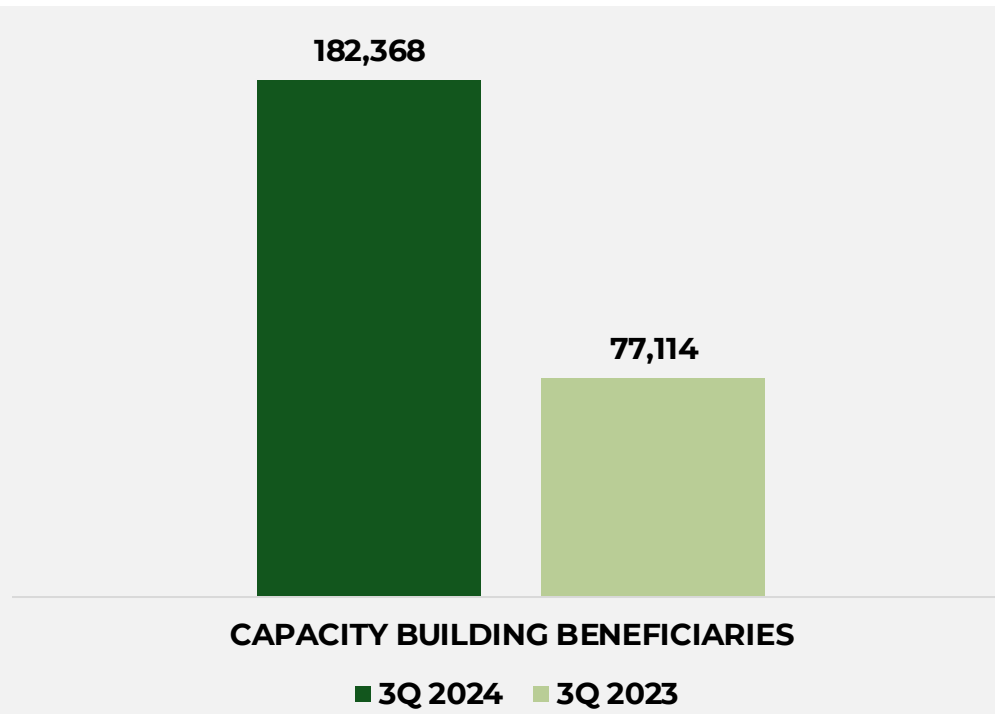
- Burundi closed the quarter with a PAT of **TZS 29 Bn**, a **58%** YoY growth.
- 34%, and 16% YoY growth in loans and government securities respectively demonstrating robust lending activities and strategic investments.
- Significant increase in SimBanking transactions by 35% in 3Q 2024 compared to 2Q 2024.
- The Burundi subsidiary contributes 7% to the group PAT and is now the most profitable bank in the Burundi market.

DR Congo

- Commenced operations in July 2023.
- Net Interest Income, QoQ growth by 98%, mainly driven by interest earned on placements and treasury securities.
- Deposit mobilization improved as the Bank closed with customers deposits equivalent of TZS 16.8 Bn, 69% above 2Q 2024.
- The subsidiary is on track to break even in the third year as planned.

Insurance

- Commenced operations in October 2023.
- TZS 20 Bn gross written premium as of 3Q 2024.
- Demonstrated resilience with increased policyholder numbers with steady growth throughout the year, and 55% QoQ increase between 2Q and 3Q 2024.
- Despite the 3Q loss, the company is expected to close the year with a profit.



“Supporting the Sustainable Development Goals (SDGs) by reducing poverty, addressing inequalities, and promoting financial inclusion through initiatives focused on youth and women.”

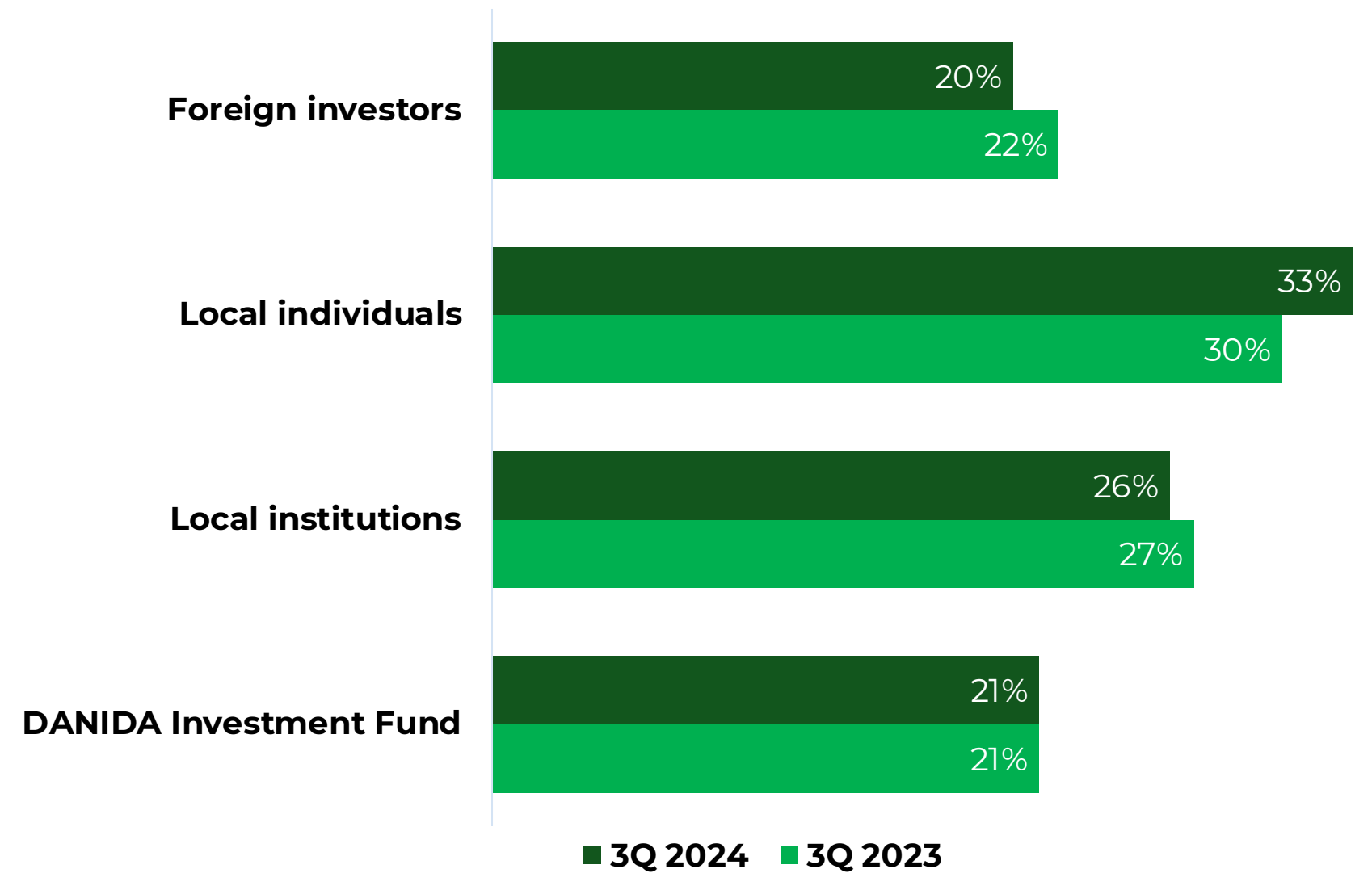
General Remarks

The share price has continuously shown remarkable year-on-year growth, with a significant 46% year on year increase as of September 2024.

This substantial rise was largely attributed to the bank's strong performance in the second quarter, which was well-received by investors. The financial results reassured investors of the bank's positive outlook, driving demand for its shares.

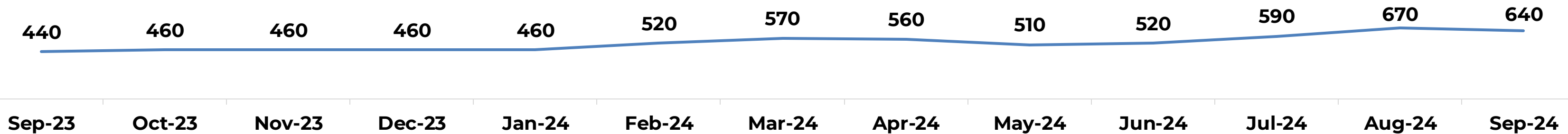
The share trading was 100% driven by purchases from local investors.

Shareholding Structure as of 30 September 2024



Key Metrics (TZS)	30 Sept '24	30 Sept '23	YoY Change
Market Cap (Bln)	1,671.5	1,149.2	45.5%
Share Price	640	440	45.5%
Book Value	792	617	29%
Earnings per Share (EPS)	157	106	48%

Share Price Performance





Way Forward

Outlook for the Year

	3Q 2024 Actual	2024 Outlook
Loan Growth	24%	15% - 18%
Deposit Growth	18%	16% - 25%
Non-Funded Income Contribution to Total Income	39%	35% - 40%
Cost to Income Ratio	45.6%	43% - 47%
Return on Equity	28.1%	25% - 30%
Return on Average Assets	5.3%	4.5% - 6.5%
NPL	2.6%	2.5% - 3.5%



Q&A



About Us



Our Reason for Existence..

To make valuable contribution to the economic prosperity of the countries we operate in and build capabilities for a sustainable future...



Our Purpose

Improve livelihoods and deliver sustainable Impact.



Our Vision

Transform lives and develop economies to their fullest potential.



Our Mission

Provide disruptive financial solutions to unlock social-economic value for our stakeholders.





Our Profile

Our Strength

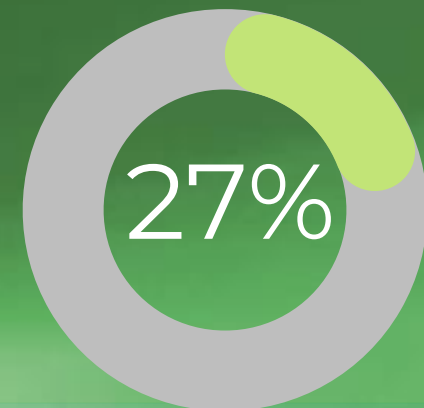


Our Human Capital

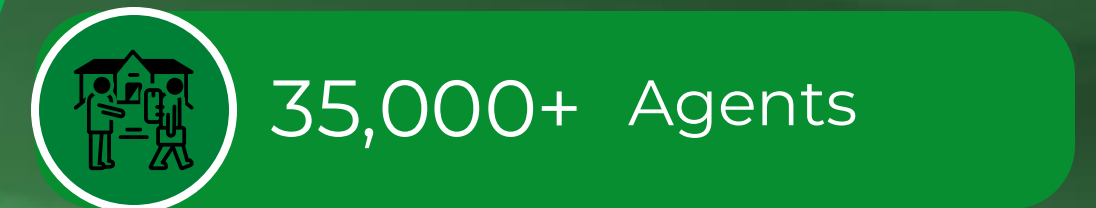
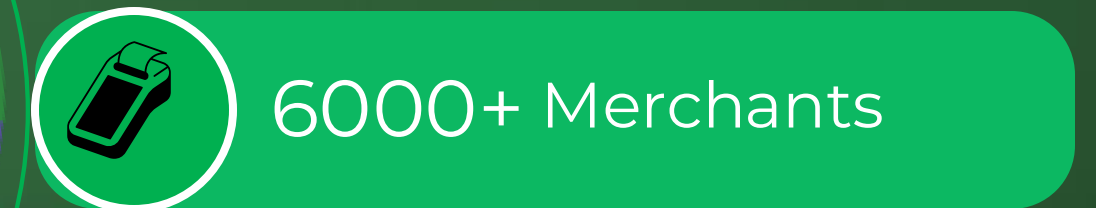
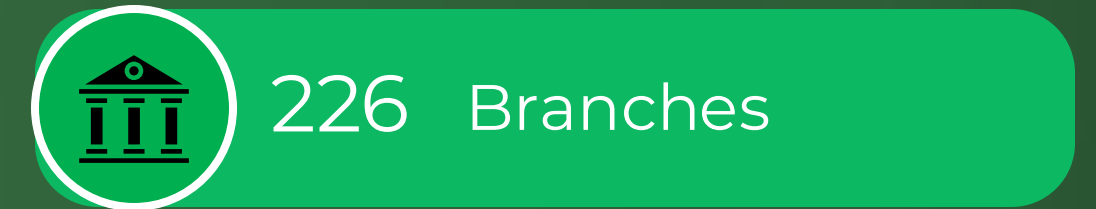


4,000+ diversified and talented employees

Our Market Share



Our Distribution Model





We are the largest integrated financial services provider in Tanzania, with presence across markets in East Africa. We play a key role in our markets, supporting economies to unlock sustainable social-economic value for the stakeholders we serve.

Transforming lives through financial services



Listed on the Dar es Salaam Stock Exchange
Total Market Cap: TZS. 1671.5 Bln



Pioneering Climate Financing in Tanzania
Largest Issuance in Sub-Saharan Africa

29 Years

Globally Recognized



GREEN CLIMATE FUND

1st Green Climate Fund (GCF) Accredited Entity in Eastern & Central Africa



Solid Credit Rating: B1, stable outlook

31 Awards in 2024

Affirming CRDB as Best Bank in Tanzania

- Best SME Bank –Tanzania **Global Finance (2024)**
- Best SME Bank – Tanzania **Euromoney Awards (2024)**
- Best Consumer Digital Bank - Tanzania **Global Finance Digital Bank (2024)**
- Most promising window - Tanzania **GIFA Award (2024)**
- Most Sustainable Bank - Tanzania **Gazette International Awards (2024)**
- Most Innovative - Tanzania **Gazette International Awards (2024)**

Regional presence in markets with solid prospects



Driving financial inclusion & social impact through Subsidiaries

