

# Investor Briefing

**Q3 2021**







**01** PERFORMANCE  
HIGHLIGHTS

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# Solid Performance Amidst Shifting Dynamics



## BUSINESS GROWTH

Sustained business growth and remained resilient

- Solidified balance sheet.
- Improved bottom-line growth.
- Expanded income streams.
- Improved efficiency ratio.
- Increased oversight on liquidity and capital management.



## PEOPLE

Delivered people capabilities and build high performance culture

- Embraced the new normal to steer productivity.
- Increased delivery of online sessions and trainings.
- Implemented diversity and inclusion programs.



## TECHNOLOGY

Leveraged on technology to enhance service delivery capabilities

- Successfully tested and operated from DRC site.
- Completed new data Centre.
- Automated and digitized key customer processes.
- Transformed service culture by implementing digital customer feedback tools.



# Operating Environment

The GDP is expected to grow at 5.5% in 2021 bolstered by **strengthening private consumption** and **recovering exports**.

Q3 inflation rate has increased to **4.0%** from **3.1%** reported last year mainly attributed to **price increase** for some non-food items.

Private sector credit increased to 3.2% from 6.8% reported last year due to the BOT monetary policy intervention.

## Tanzania Economy

The inflation rate has **increased to 7.6%** in August 2021 from 7.0% reported in Q2.21, mainly due to **increase in prices** of some non-food items.

The USD/BIF closed at **1,990** end of September 2021 compared to **1.976** reported in Q2 2021.

The economy is projected to **grow at 3.5%** in 2021 after the **reopening** of the **land borders** closed in January 2021.

## Burundi Economy

The launch of **TIPS** provides an opportunity to enhance the service experience.

The World Bank issued a **concessional loan**, IMF **emergency support** and BOT a **stimulus package**.

An **increase** in **FDIs** flow in the country from developed nations.

An **oversubscription** of recent issued Bonds (the first Islamic bond - Sukuk).

## Market Insights



# Performance Highlights

## Key Financials



**5,896 Bn**

Deposits



**4,550 Bn**

Loans



**168 Bn**

PAT



**694 Bn**

Total Income



**- 35 Bn**

Loans Impairment

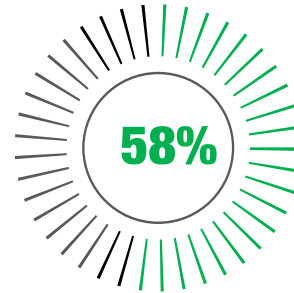
## Soundness Indicators



Return on Equity



NPL



Cost to Income



CAR





The image features a blurred background of warm, golden light. In the foreground, three stacks of coins are arranged on a blue, textured surface. The central stack is the tallest, followed by the one on the left, and the one on the right is the shortest. A semi-transparent green rectangular box is overlaid on the left side of the image, containing the text '02 FINANCIAL PERFORMANCE' in white, bold, sans-serif font. The number '02' is significantly larger than the words 'FINANCIAL' and 'PERFORMANCE', which are stacked vertically to its right.

**02** FINANCIAL  
PERFORMANCE



# Group Balance Sheet

Amount in TZS Bn	Q3 2021	Q3 2020	% Growth
Cash and Balances	1,092	801	36%
Government Securities	4,358	1,525	8%
Net Loans & Advances	4,550	3,732	22%
Total Assets	8,130	6,771	20%
Customer Deposits	5,896	4,875	21%
Borrowed Funds	751	589	27%
Shareholders' Funds	1,116	973	15%

**Total balance sheet grew by 20%YoY.**

**Balance sheet driven by a sustained growth of loan book.**

**Net loans and advances increased by 22% YoY.**

**Increase in both corporate loans (41%) and retail loans (59%).**

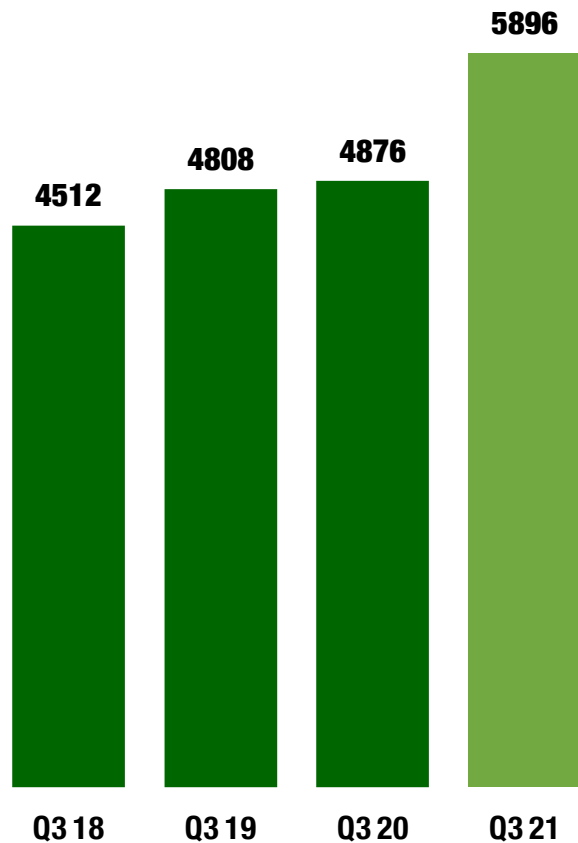
**Customer deposits grew by 21% YoY.**

**Borrowing increased by 27% YoY.**



# Deposits Trend

## DEPOSITS (TZS Bn)

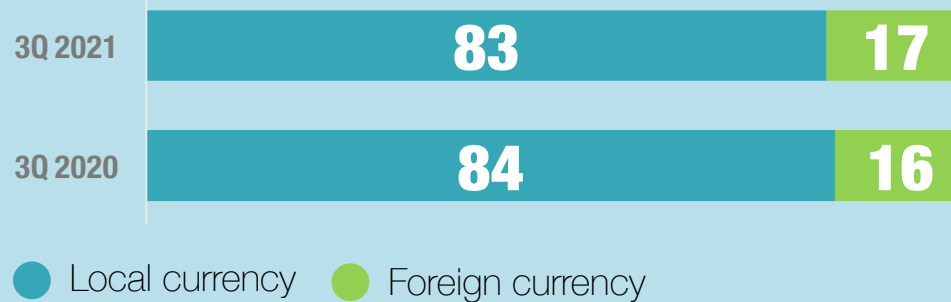


## Deposits Mix

	Q3 2020	Q3 2021
CASA	86%	85%
Time	14%	15%



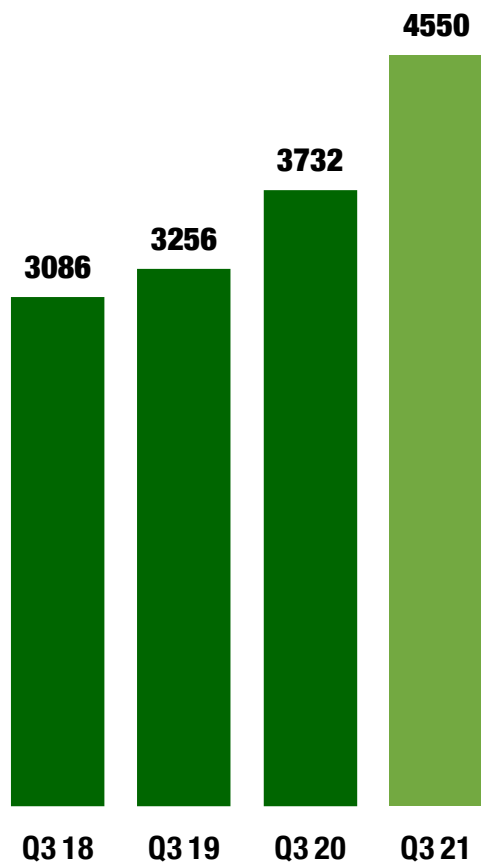
## Currency Mix (%)



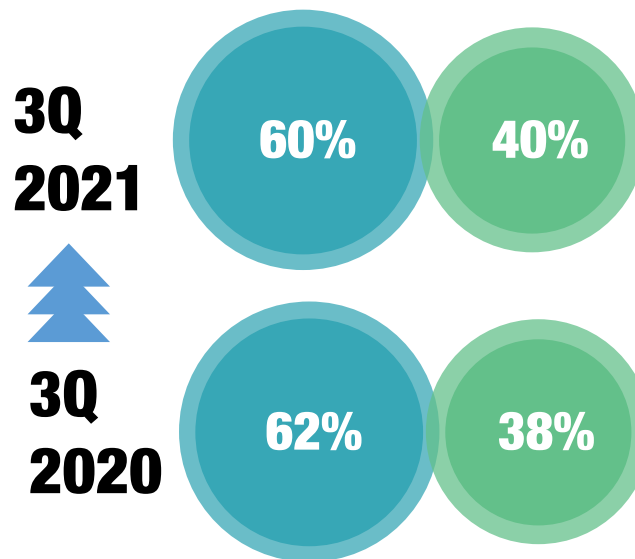


# Loans Trend

**Loans** (TZS Bn)

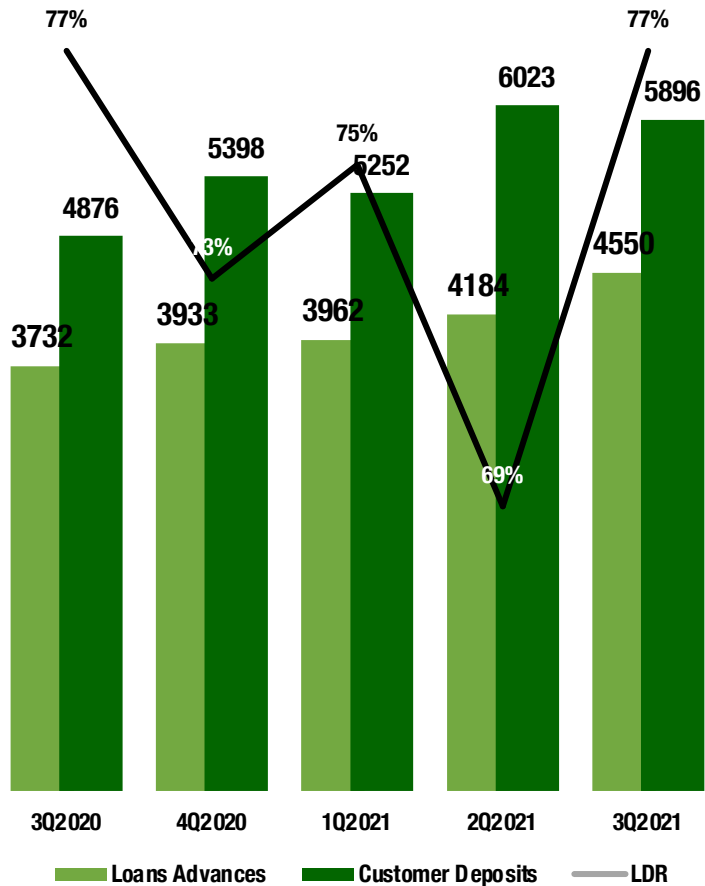


**Loan Book – Split by Business Segments**



# Liquidity and Funding Position

## LDR Trend



## GENERAL REMARKS

The bank continues to maintain strong deposit base with a 24% Market share.

The bank liquidity ratio as at end of 3Q.21 was 22% above regulatory ratio of 20%.

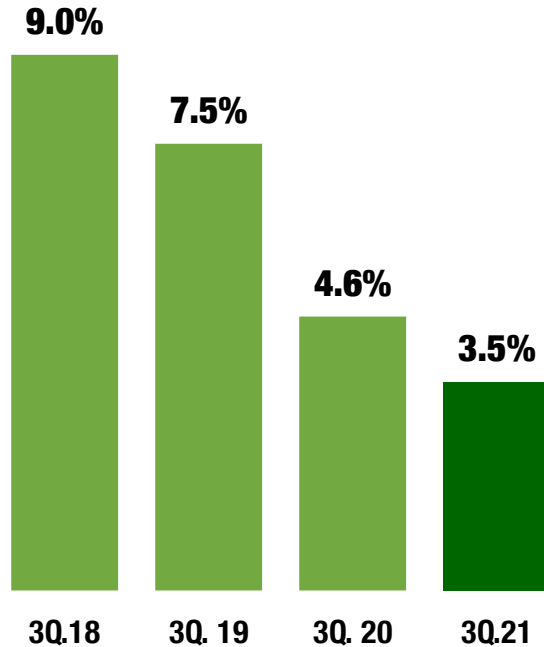
The LDR ratio is at 77% in 3Q.21, up by 8% QoQ as loans and advances have increased by TZS 366bn. However, the QoQ deposits slightly decreased by 127bn due to transfers made during the quarter by Institutional depositors.

The bank will continue to focus on balance sheet optimization to remain within regulatory and internal limits.

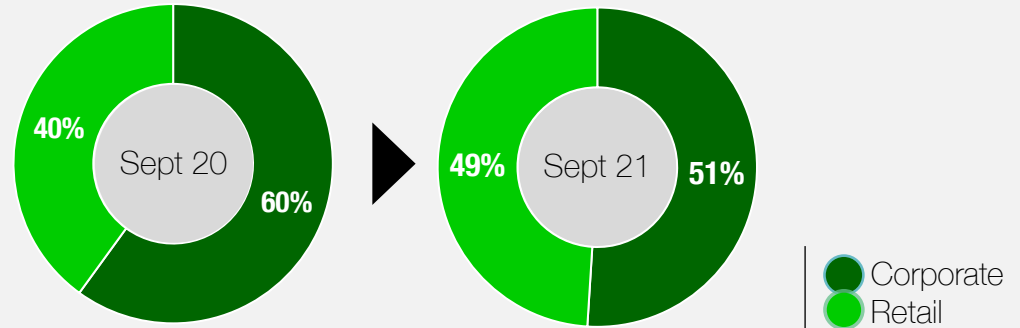


# Asset Quality

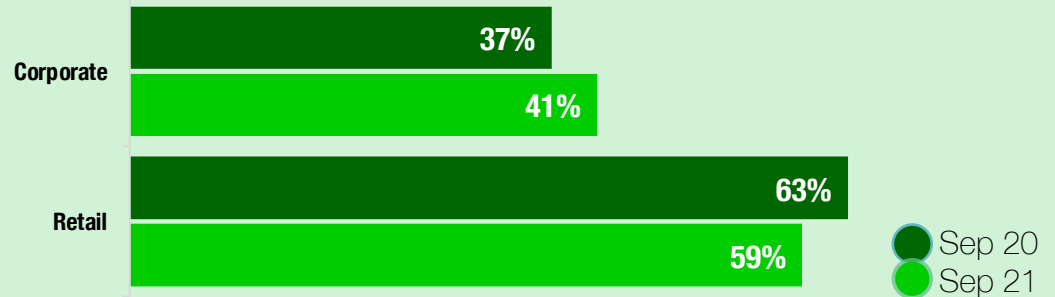
## Group NPL Trend



## NPL – Segment Split



## Loans – Segment Split



## GENERAL REMARKS

- The NPL ratio has been decreasing over the last three years, reaching below the regulatory requirement of 5%.
- In 3Q.21, the group closed with an NPL ratio of 3.5%, well below the industry ratio of 9.6% as at June, 2021.
- The bank's overall NPL ratio at the end of Q3.21 continued to improve at 3.5% from 4.6% last reported in Q3.20, mainly due to various initiative to contain migration of the portfolio to NPLs and write-offs.

# Group Income Statement

Amount in TZS Bn	Q3 2021	Q3 2020	% Growth
Interest Income	570	513	11%
Interest Expense	105	87	20%
Net Interest Income	465	425	9%
Non-Interest Income	228	204	12%
Operating Expenses	155	143	8%
Loan Impairment charges	35	64	-45%

**PAT TZS 167bn, YoY growth of 39%.**

**Strong top line growth – 9% YoY growth in Net Interest Income.**

**Compressed interest margins due to cuts in lending rates.**

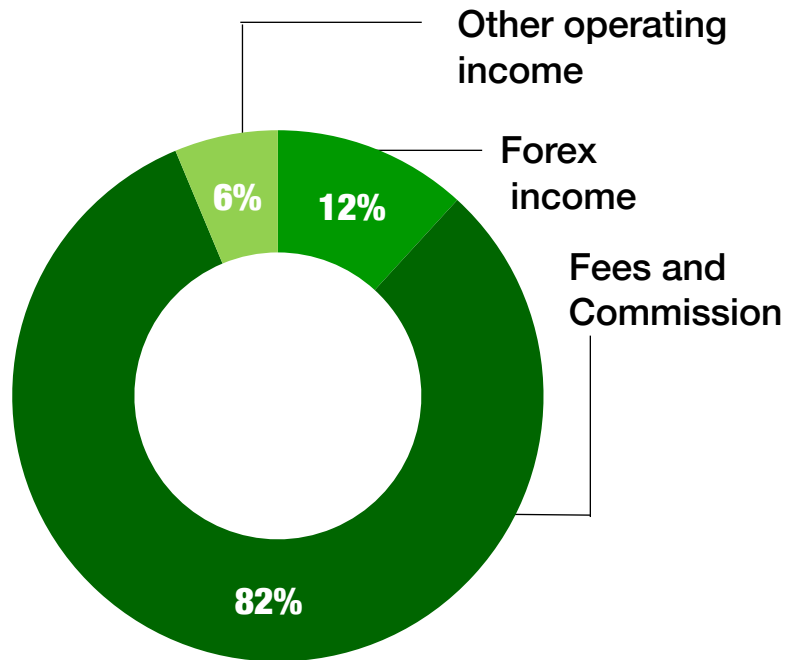
**Non-interest Income impacted by reduction in cost of services**





# NFI Analysis

## NFI Composition

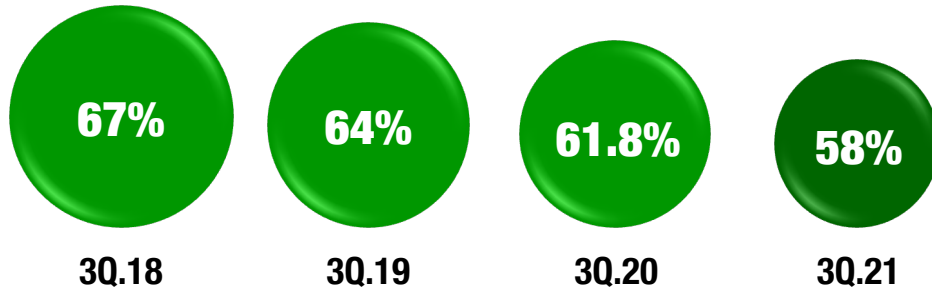


### GENERAL REMARKS

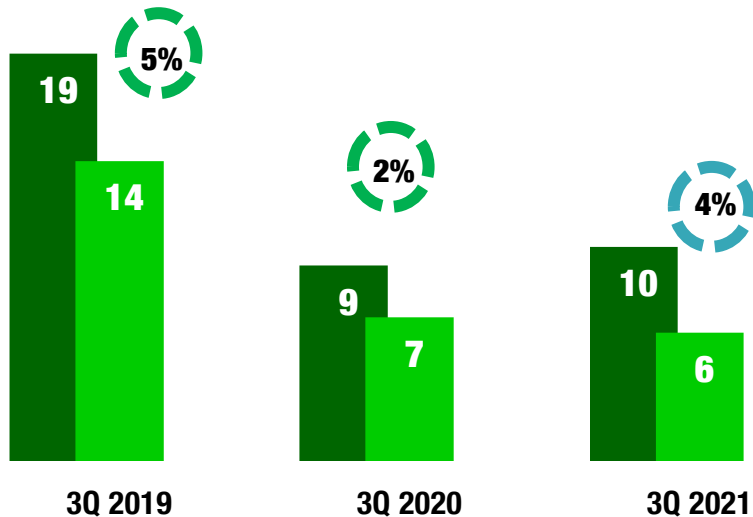
- FX contribution decreased to 12% due to slow down in cross border business
- NFI contributed 33% of total income
- NFI grew by 12% from 2020
- Other operating income contribution decreased to 6%

# Cost Analysis

## Cost To Income Ratio



## Total Income Growth vs Total Expenses Growth



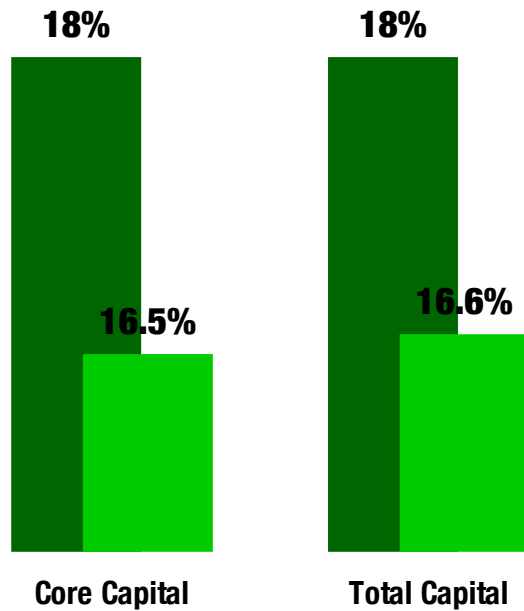
## GENERAL REMARKS

- Efforts from cost saving initiatives paying off.
- Evaluating cost saving opportunities and ways to reduce the cost base.
- Quarter on quarter reduction in contribution of salaries and benefits to total expenses.
- Income JAWS of 4% achieved in this quarter, compared to 2% recorded in the same period 2020.



# Strong Capital Base

## Capital Base



● 3Q 2021  
● 3Q 2020



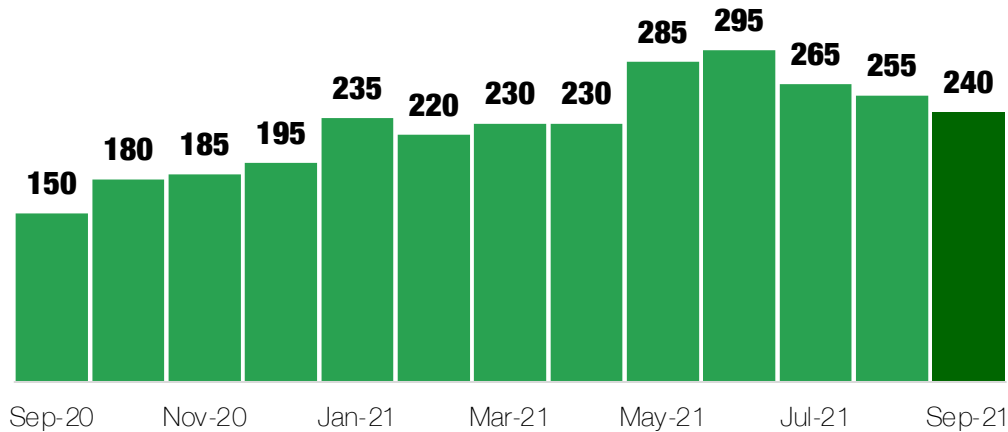
**12.5%**  
Core capital

**14.5%**  
Total capital

Capital is well above both regulatory and internal limits.

# Great Share Performance in the Year

## CRDB Share Price



- Traded at average price of TZS 250.
- Grew 60% on a year-on-year basis.
- Drop 19% on a QoQ basis.
- CRDB was the most traded stock on the Exchange in the year.

# Increased Contribution to PAT by Subsidiaries

Amount in TZS Mn	Q3 2021	Q3 2020	% Growth
<b>Burundi</b>			
Total Assets	482,728	340,930	42%
Total Deposits	249,762	184,387	35%
Operating Income	20,250	19,674	3%
Net Profit	9,217	9,056	2%
<b>Insurance</b>			
Total Assets	7,629	9,143	-17%
Net Commission Income	1,501	9,056	-74%
Net Profit	802	3,025	73%

## GENERAL REMARKS

The company recorded a cumulative profit after tax of TZS 802 Mn below the budget by 26%, due to low commission income on brokerage impacted by the transfer of some business to banc assurance.







**03** LOOKING  
AHEAD

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# 4Q 2021 Priorities

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**Strong finish to the year**



**Drive revenue growth**



**Cost containment initiatives**



**Sustain capital & liquidity adequacy**



**Maintain good asset quality**



**Increase information security**





**03** ABOUT  
CRDB



# Our Direction

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## Our Story

CRDB Bank Plc is a publicly owned commercial bank headquartered in Dar-es-Salaam, Tanzania. We operate two main subsidiaries, CRDB Bank Burundi, CRDB Insurance Broker Limited. We are the largest financial services provider in Tanzania offering a comprehensive range of financial services to individuals, Micro, Small and Medium sized Enterprises (MSMEs) and large corporations.

## Our Vision

To be the leading bank which is customer need driven with competitive returns to shareholders

## Mission

Provide competitive and innovative financial solutions through digital transformation, to achieve distinctive customer experience, while caring for our people and delivering a sustainable contribution to the society



# Our Competitive Advantage

## BUSINESS DIVERSIFICATION



**CRDB BANK**  
Burundi SA



**CRDB Insurance**  
Broker Limited



**3.4 Mn**  
Our customer base



**3,430**  
Professional staff

## DRIVERS OF DIGITAL EXPERIENCE



Innovative digital solutions



Robust ICT infrastructure



Efficient processes

**MOODY'S**  
**B2 - STABLE OUTLOOK**

## UPPER END AND ACCESSIBLE TOUCH POINTS



**250+**  
Branches



**560+**  
ATMs



**20,000+**  
Bank Agents

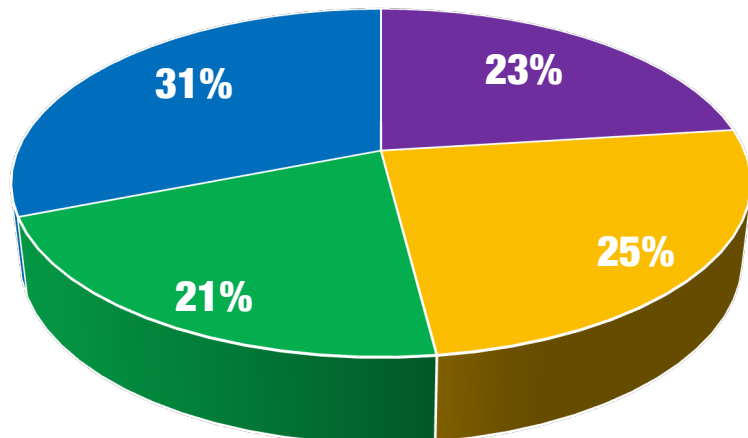


**15,400+**  
Merchant Outlets



**21**  
Mobile Branches

# Shareholding Structure



Shareholders	No of Shares	% Holding
DANIDA (DIF)	548,067,648	21
Local Institution	644,622,892	25
Local Individual	827,371,773	32
Foreign	591,736,271	23
<b>Total</b>	<b>2,611,838,584</b>	

- DANIDA
- Local Institutions
- Local Individual
- Foreign



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 use of the 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 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.

## CONTACT US



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