

CRDB BANK PLC
Investor Briefing
Q3 2020



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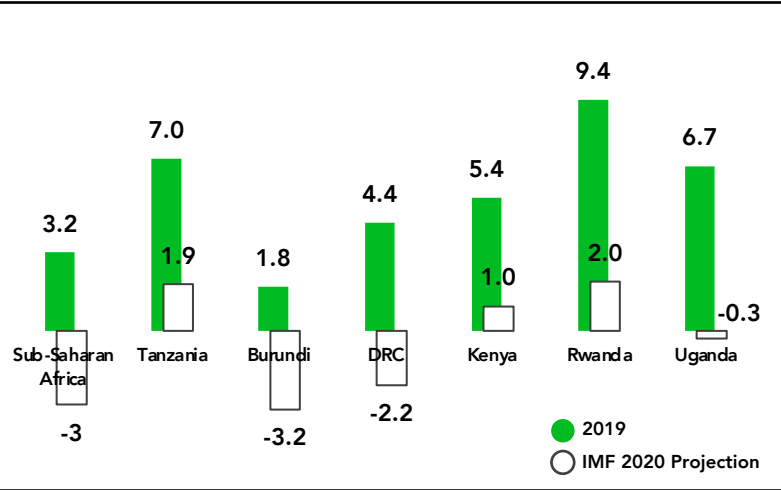
- **Macroeconomic and Operating Environment**
 - **CRDB At A Glance**
 - **Bank Highlights**
 - **Group Financial Performance**
 - **Subsidiaries Performance**
 - **Way Forward**
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Operating Environment

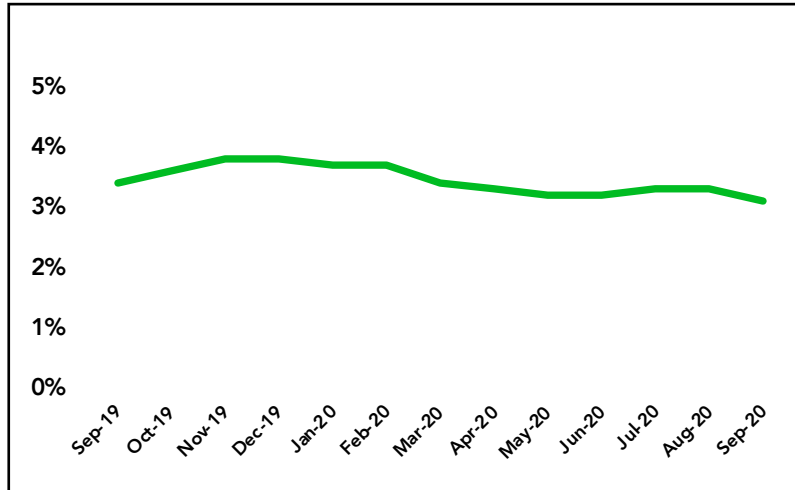


Stable Operating Environment

GDP Growth



Tanzania Inflation Rate

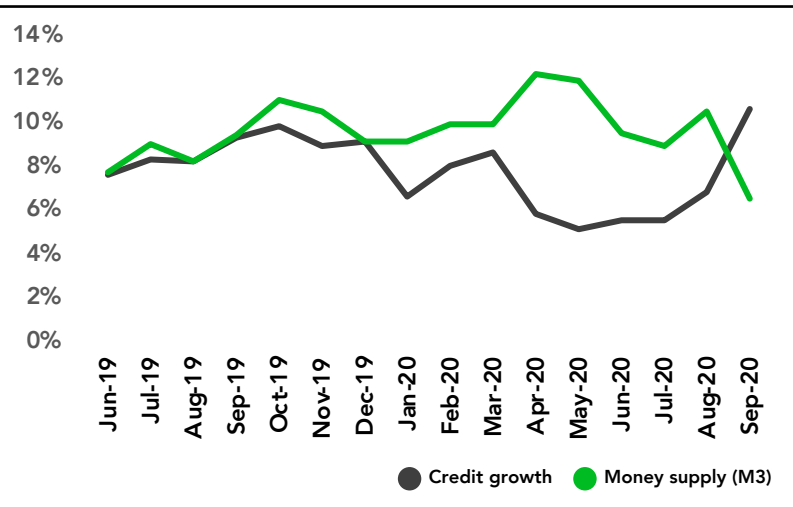


Slow down in economic growth across the region

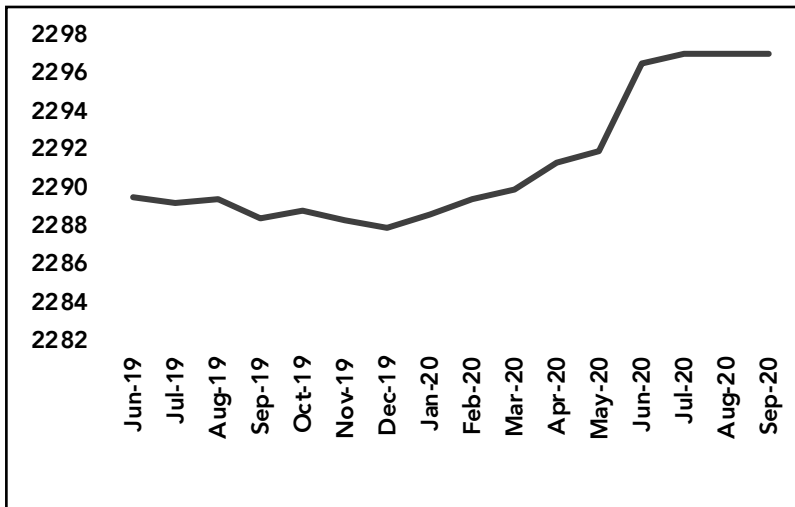


Inflation has been below the medium-term target of 5%

Credit Growth and Money Supply



Exchange Rate



Stable provision of credit to private sector



Increase in money supply (M3)



Stable foreign exchange rate

Covid Update

The government provided regulatory support as we continued to adapt to the new normal market dynamics

Government Response



SMR lowered from 7% to 6%



Reduction of discount rate from 7% to 5%



Reduction of haircuts on Govt Securities 10% to 5% for T-Bills and 40% to 20% for T-Bonds



BOT provided regulatory flexibility on loan restructuring

Our Response

- Placed preventive measures to protect employee health and customers
- Initiated alternative work set up arrangements
- Promoted cashless transactions
- Partnered with government to support our communities
- Restructured and deferred loan repayments

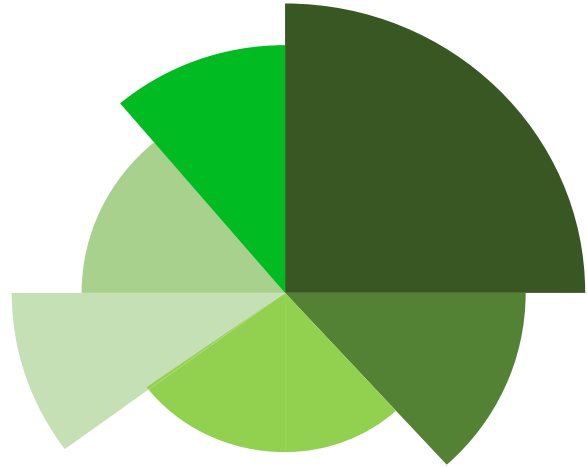
Bank Profile

Our Subsidiaries



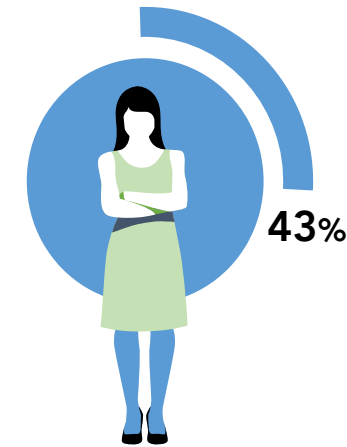
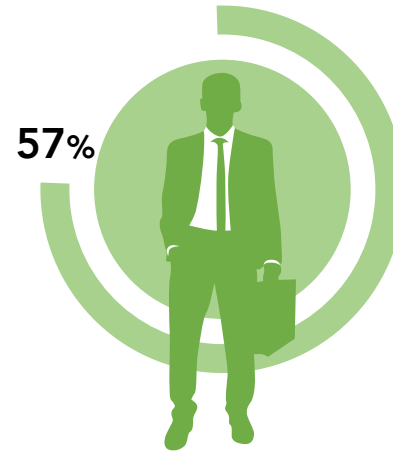
CRDB Burundi
CRDB Insurance Broker

Our Shareholders



33.4%	Individual Tanzanians
21.6%	Foreign Investors
21.0%	Government/DIF
13.9%	Government Institutions
8.4%	Private Companies
1.7%	Co-operative Unions

Our People



3,639
Professional Staff

Our Channels



560
ATMs



243
Branches



19,491
Bank
Agents



4,584
Merchant
POS



21
Mobile
Branches

Bank Highlights



Strategy Implementation Updates

Transform Existing Machine

- Signed MOUs with Loan Agro, ETC & Agricom to support agricultural financing
- Digitized end to end MUSE transactions
- Guarantco portfolio guarantee

Build the Bank of the Future

- Upgraded the call centre system
- Rolled out digital customer feedback tool – QR code
- Launched Mystery Shopping Surveys

Address the Enablers

- Rolled out the BM Academy, RM Academy, Women Mentorship and other leadership programs in partnership with other institutions
- Developed a pan-bank Succession Plan for critical roles
- Pan-bank employee recognition through the CEO Awards.

Social Impact



CRDB Bank Marathon 2020 raised 200Mn that funded the JKCI for children's surgeries



Launched environmental conservation campaign targeted to plant 100,000 trees across the country

Continued Recognition



GLOBAL
FINANCE



GTR 2020
Leaders
in Trade



THE WORLD BANK

Best Bank in Tanzania 2020
Best Corporate Bank Tanzania 2020
Best SME Bank East Africa 2020
Best Bank in Trade Finance Tanzania 2020
SME category for Machinga and Boom Advance



Bank Highlights



Q3 2020 Performance

Group Balance Sheet

Amount in TZS Bln	3Q2020	3Q2019	%Change
Cash and balances with Bank of Tanzania	801	1,029	-22%
Investments in Government Securities	1,525	1,267	20%
Net loans and advances to customers	3,732	3,256	15%
Total Assets	6,771	6,223	9%
Deposits from Customers	4,875	4,807	1%
Borrowed Funds	589	351	68%
Shareholder Funds	973	835	17%

Maintained a strong balance sheet

- Total assets grew by 9% up to TZS 6.7trn
- Loans and advances increased by 15%
- Total Deposit grew by 1% up to 4.8trn
- Increase in Shareholder's Funds by 17%

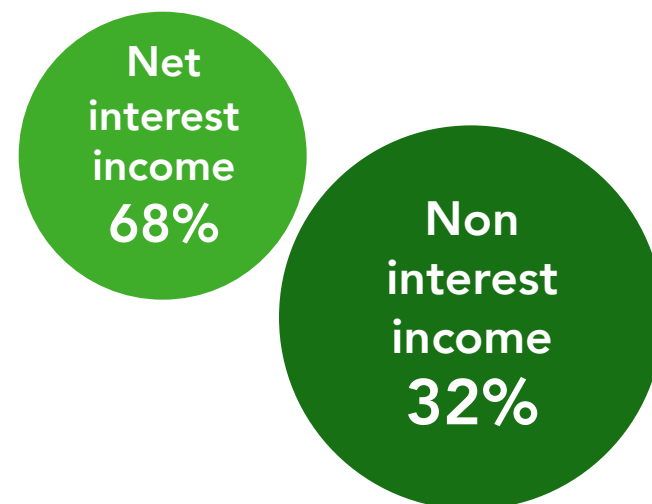
Q3 2020 Performance

Group Income Statement

Amount in TZS Bln	3Q2020	3Q2019	% Change
Net Interest Income	425	389	9%
Non Funded Income	204	187	9%
Operating income before impairment charge	629	577	9%
Impairment charges	-64	-74	-14%
Operating income after Impairment	565	502	13%
Operating expenses	-395	-370	7%
Profit Before Tax	170	131	29%
Income Tax Expense	-49	-39	26%
Profit After Tax	120	92	31%

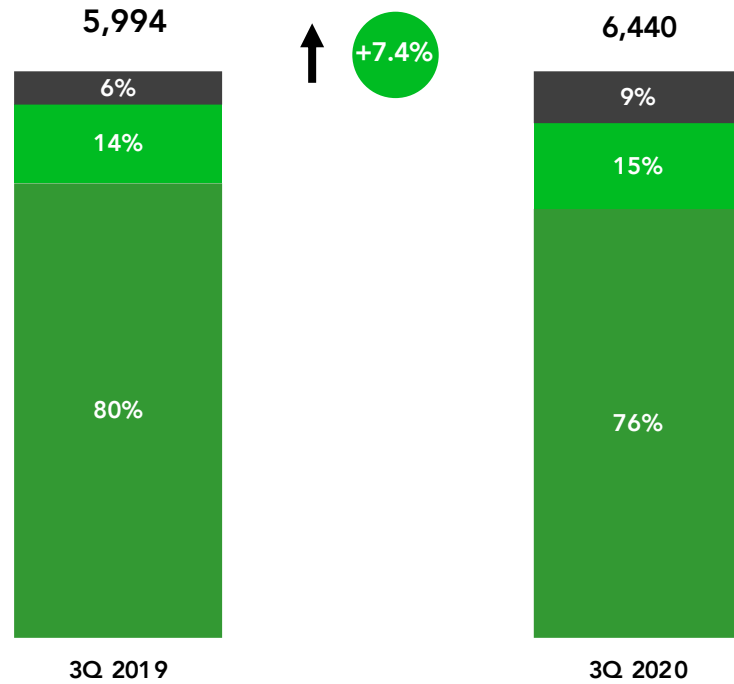
Continued growth in PAT

- 31% Increase in Profit after Tax to TZS 120bn
- Total Income grew by 13%
- Operating expense increased by 7%
- 14% drop in impairment charges

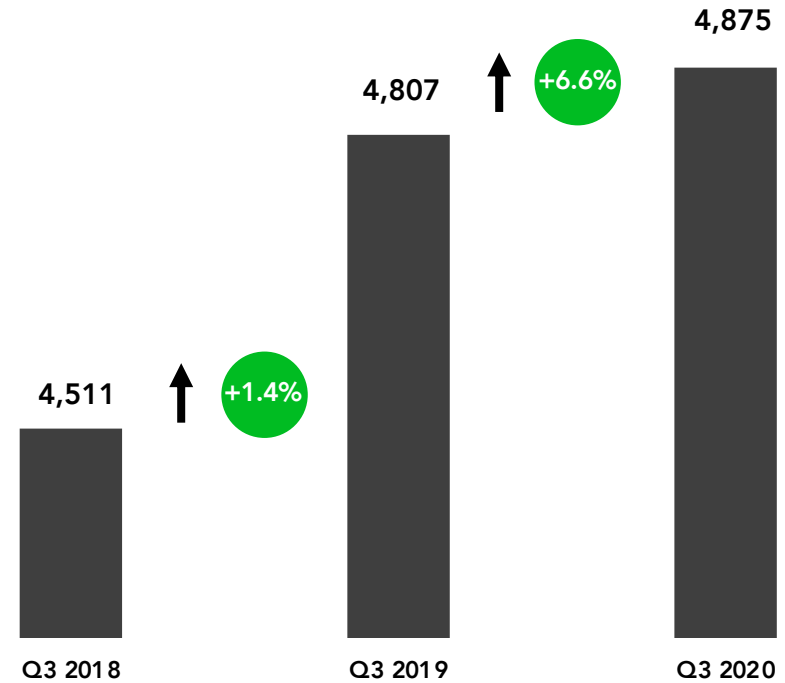


Diverse Funding Structure

Funding Mix



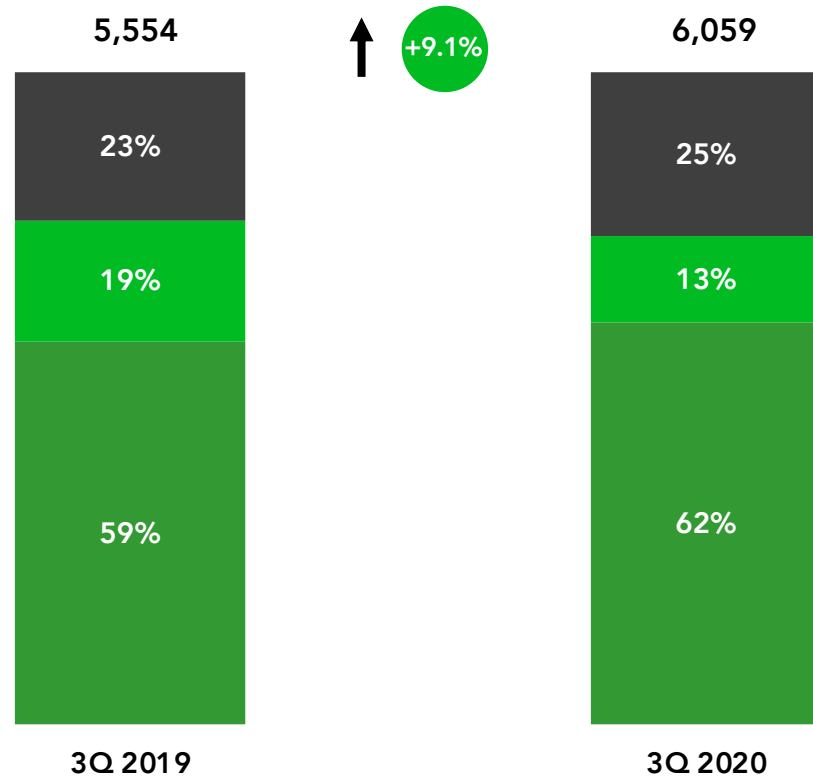
Customer Deposits



- Customer deposits
- Equity
- Borrowings

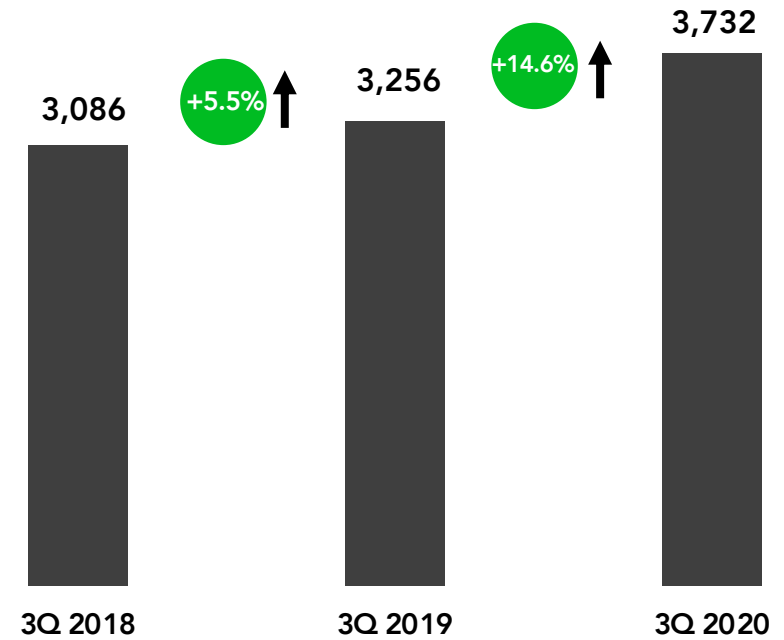
Strong Loan Book Growth

Assets Mix



↑ +9.1%

Net Loans



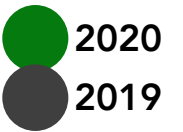
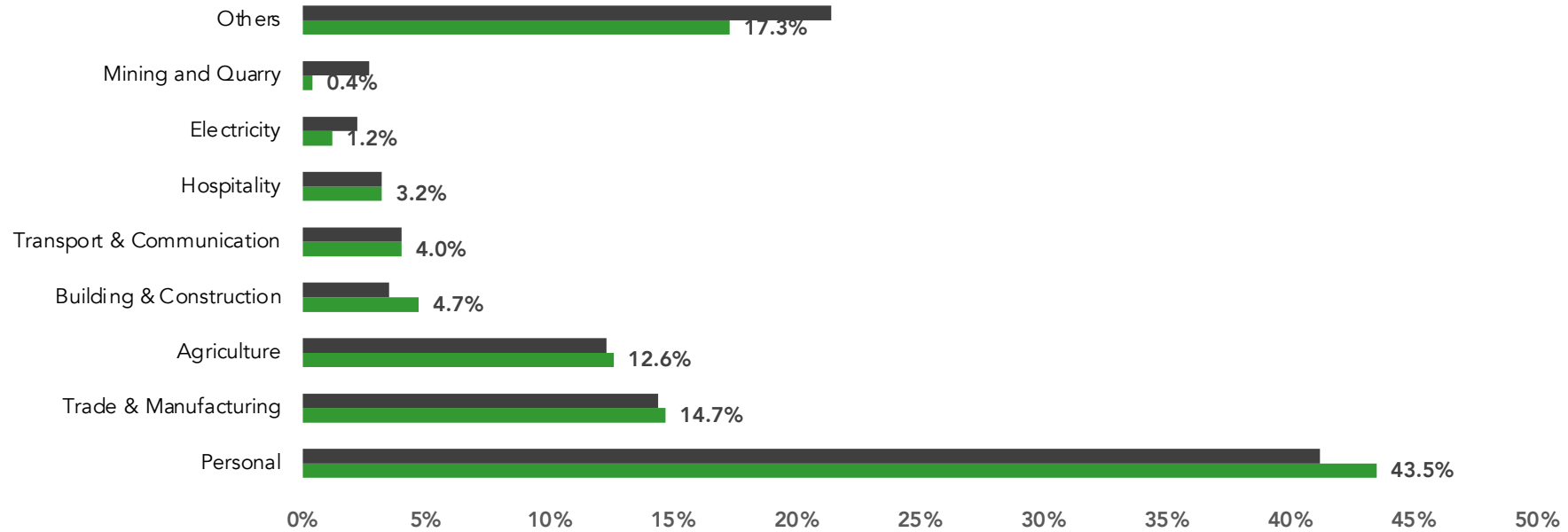
↑ +5.5%

↑ +14.6%

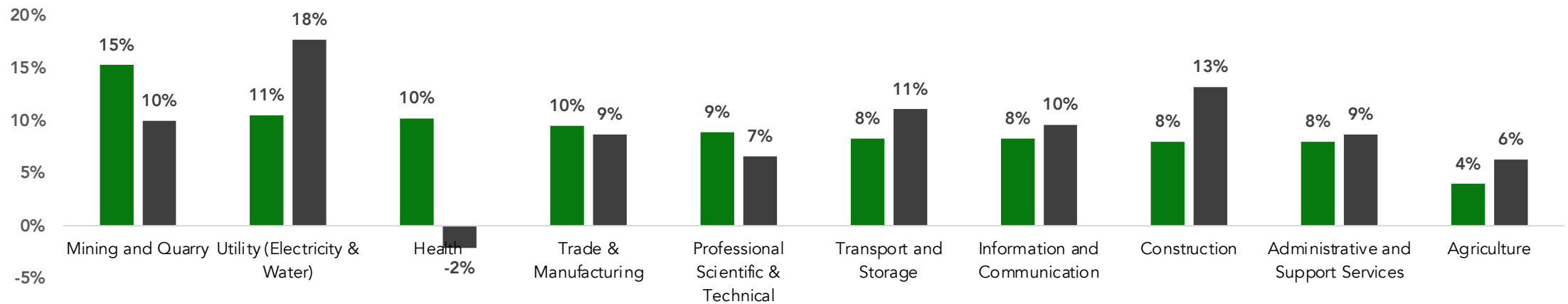
- Net loans
- Cash and cash equivalents
- Government securities

Lending Across Key Sectors

Loans by Sector



Growth Rates of Country's Economic Activities

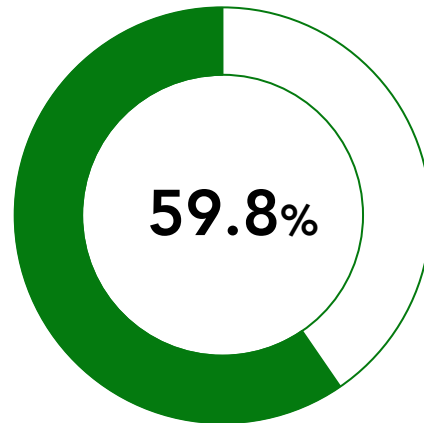
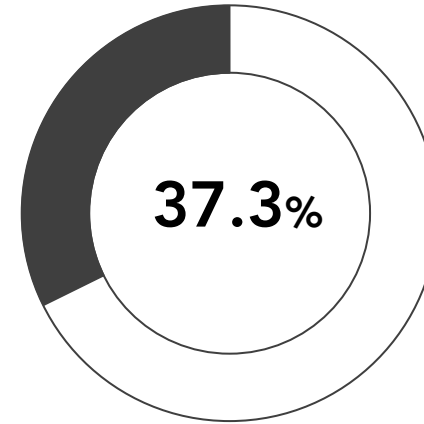
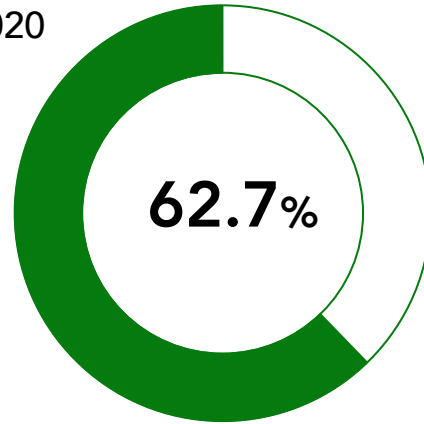


Loan Book Breakdown - **By Segment**

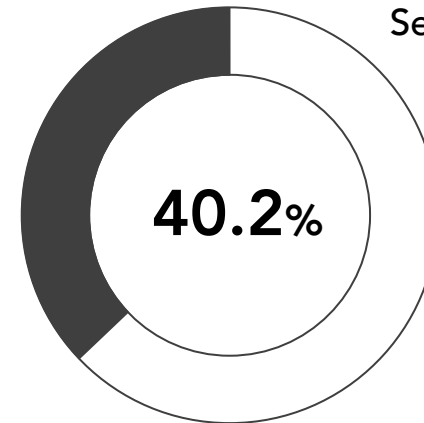
Retail

Corporate

Sept 2020

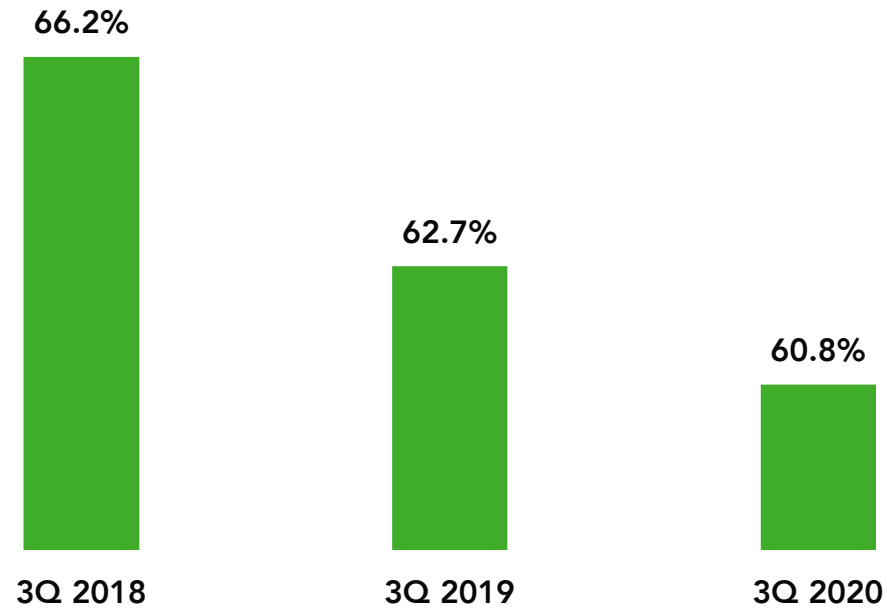


Sept 2019

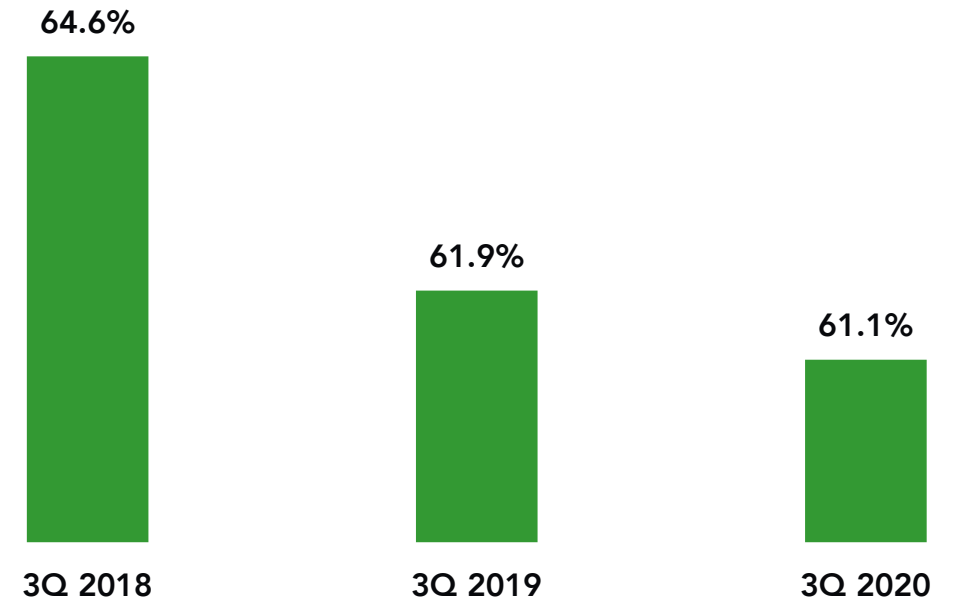


Improved Efficiency

Cost to Income Ratio Trend - Group

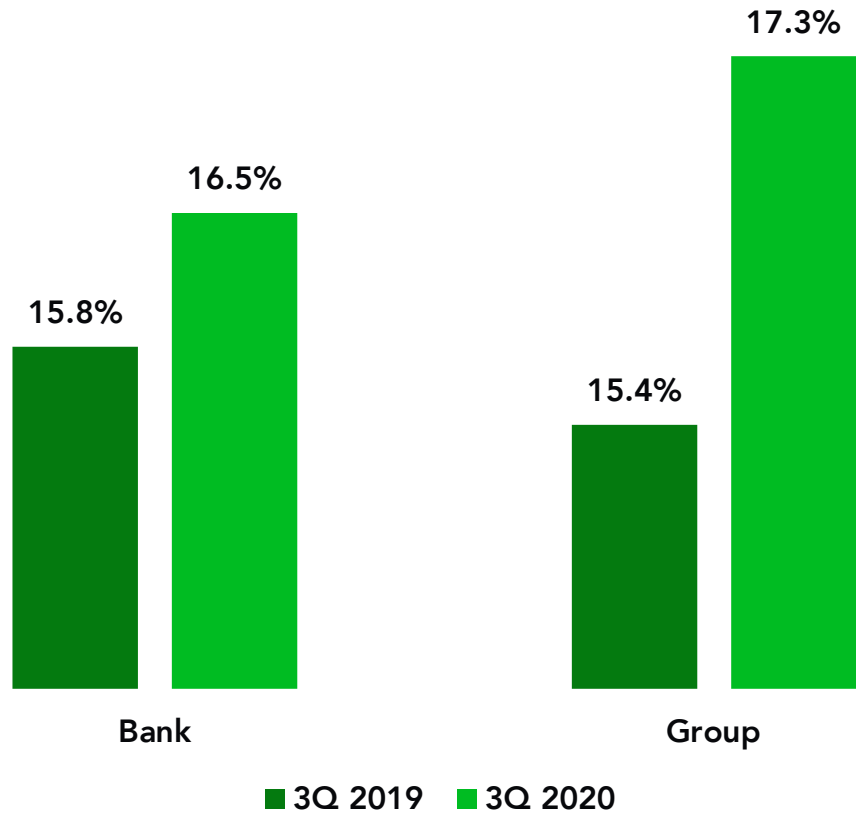


Cost to Income Ratio Trend – Bank

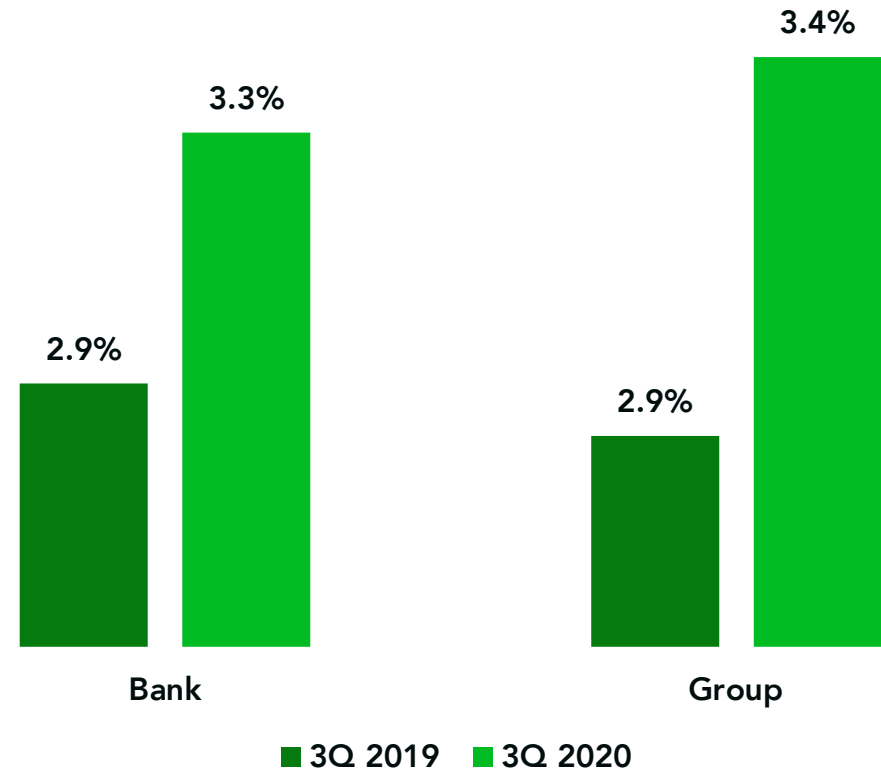


ROE and ROA Trend

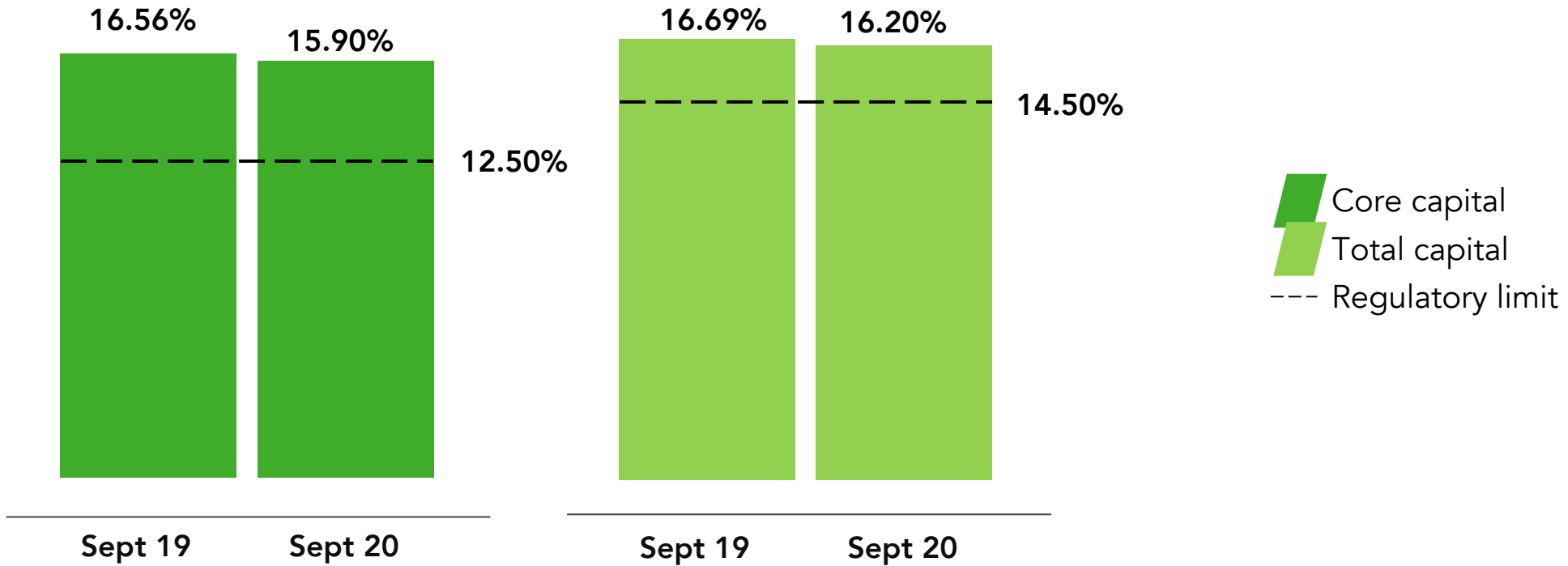
ROE



ROA



Strong Capital Position



Other Key Ratios (Bank)

	3Q2020	3Q2019
Return on Equity	17.5%	15.4%
Return on Asset	3.4%	2.9%
LDR	78.9%	68.8%
NPL	4.7%	7.5%
NPL Coverage	76%	75%
Net Interest Margin	10.4%	10.8%
Yield on Investments	12.5%	13.2%
Cost of Funds	2.1%	2.3%
Earnings Per Share	43	35
Book value	373	320

Our Subsidiaries



Q3 2020 Performance

Balance Sheet and Income Statement

Amount in TZS Mln	Q3 '20	Q3 '19	% Change
Burundi			
Total Assets	342,350	240,571	42%
Total Deposits	185,574	123,771	50%
Operating Income	19,710	14,958	32%
Net Profit	9,056	5,000	81%
Insurance			
Total Assets	8,560	5,498	56%
Net Commission Income	5,864	3,997	47%
Net Profit	3,025	1,217	149%

Strong Balance Sheet and Profitability Growth

- 42% increase in Burundi total assets
- Net Income in Burundi grew by 56%
- Insurance assets grew by 56% to Tzs 8 bn
- Net profit for insurance grew by 149%

Way Forward



4Q2020 Focus Areas

Focus on the money ecosystem to keep funds within the network



**RING-FENCE
AND
PROTECT
THE BANK'S
DEPOSITS**



**NPL CONTAINMENT
& QUALITY
PORTFOLIO**

Continuous management of delinquent accounts and migration

Leverage on strategic partnerships to capitalize on market opportunities



**ACHIEVE EFFICIENCY
& MEET
EXPECTATIONS**



**INCREASE
SALES &
MARKET
PENETRATION**

Accelerate digital initiative and service approach to complement market dynamics

Bank Outlook

	2020 OUTLOOK	Q3 2020
Loan Growth	10% - 15%	14.8%
Deposit Growth	10% - 14%	2.6%
Non Funded Income	35% - 40%	32.2%
Cost to Income Ratio	55% - 60%	61.1%
Return on Equity	16% - 18%	16.5%
Return on Assets	2.5% - 3.0%	3.3%
NPL	4.0% - 6.0%	4.7%



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 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.