



**4Q 2019**

**Investor Briefing**



Our strong performance in 2019 positions CRDB Bank Group well for the future. . .

**PAT** **TZS 120bn**  
2018: TZS 64bn



**Cost to  
Income** **64.4%**  
2018: 66.7%



**ROE** **13.8%**  
2018: 8.3%



**NPL** **5.5%**  
2018: 8.5%



- Profit after tax (PAT) grew by 87%
- Cost discipline and efficiency measures
- Strong Group's capital position above the regulatory minimum allowing room for growth
- Prudent growth with improved asset quality and shareholders' return

Our success is built on a strong foundation and clear direction

## PEOPLE

Committed,  
Motivated and  
Engaged  
Workforce

## BUSINESS

Agility and use of  
technology

## CUSTOMER

Consistence  
Service Level

## OWNERSHIP

Synergies among  
teams through  
accountable  
leadership

## REGULATIONS

Compliance and  
overall  
Enterprise Risk  
Management

## BRAND

Bank of Choice,  
trusted and  
affordable

**Transform the  
existing machine**



**Build the bank of the  
future**



**Address the  
enablers**

## STAFF

- Employs over 3000+ staff
- Implemented leadership and culture transformation programs
- Developed the Gender Diversity and Inclusiveness policy which predominantly aims at adhering to best human resource practices and promoting gender equality at senior positions
- Continue to embrace diversity in talent acquisition

## CLIENTS

- Disbursed loans supporting economic sectors that impact individual livelihoods
- Agency banking has provided additional revenue streams for businesses and opportunity to employ special groups such as women, youth and people with disabilities
- Enhanced client convenience through digital and alternative banking channels

**We aim to use our financial expertise to bring change**

## SHAREHOLDERS

- Paid dividends to all shareholders who represent foreign investors, private companies, local pension funds, cooperatives and individuals
- Collaborating and supporting government and private sector in key projects

## REGULATORS

- Maintained a strong balance sheet to support a safe & stable banking system
- Continued to invest in government securities to support financial needs of the government
- Good corporate citizen who pays direct, indirect and other taxes

## SOCIETY

- After the Green Climate Fund (GCF) accreditation, supporting United Nation's Sustainable Development Goals (SDGs) no.13 of Climate Action, becomes a top priority for the Bank and we have already invested in the implementation of the GCF Projects



# **Operating Environment**

**Stable operating environment with promising Macroeconomic variables including inflation**

**Completion of some key country flagship projects will pave room for industrialization**

**Improved levels of private sector engagement**

**Consolidation of banks geared to build solid financial institutions**

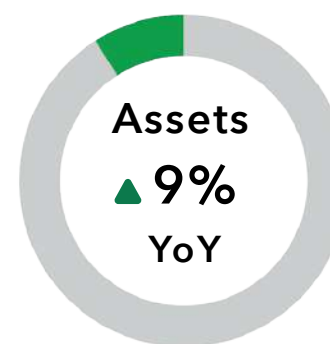
**Completion of some key country flagship projects will pave room for industrialization**

The image features several stacks of gold coins, likely 1000-rupee Indian coins, arranged in a slightly overlapping manner. The coins are set against a dark green background with a subtle gradient. A semi-transparent white rectangular box is positioned horizontally across the middle of the image, containing the text 'Financial Highlights' in a bold, dark green font. The overall aesthetic is professional and financial.

# **Financial Highlights**

# Group Balance Sheet

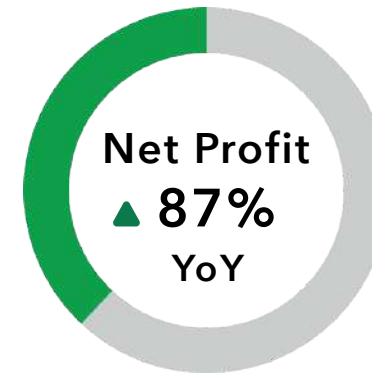
Amount in TZS Bn	Dec-19	Dec-18	YoY Change
<b>Assets</b>			
Net Loans	3,381	3,126	8%
Cash & Balances with BoT	764	700	(9%)
Government Securities	1,412	1,238	14%
<b>Total Assets</b>	<b>6,600</b>	<b>6,035</b>	<b>9%</b>
<b>Funding</b>			
Deposits	5,212	4,691	11%
Borrowed Funds	322	426	(-24%)
Shareholder's Funds	869	773	12%





# Group Income Statement

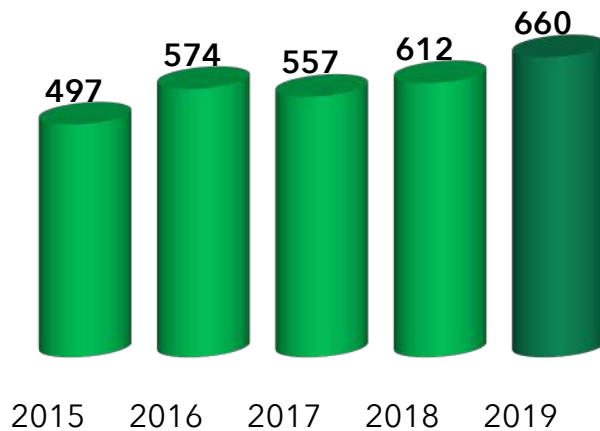
Amount in TZS Bn	Dec-19	Dec-18	YoY Change
Interest Income	641	586	9%
Interest Expenses	(115)	(143)	(20%)
Net Interest Income	526	442	19%
Non Interest Income	252	219	15%
<b>Total Income</b>	<b>778</b>	<b>662</b>	<b>18%</b>
Operating Expenses	(500)	(440)	14%
Result before allowances	277	222	25%
Loan Impairment charges	(105)	(121)	(13%)
<b>Net Profit after Tax</b>	<b>120</b>	<b>64</b>	<b>87%</b>



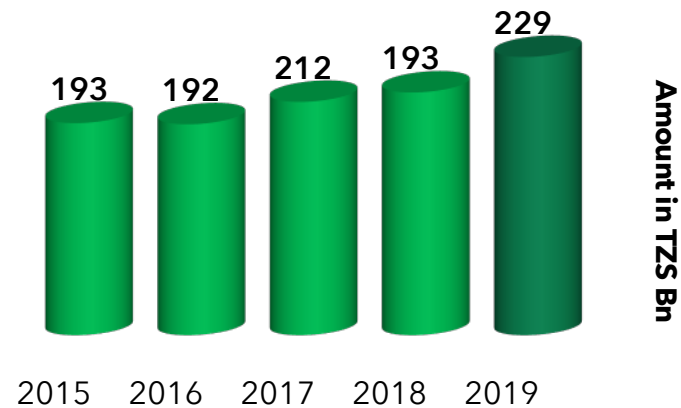
# Income Parameters – 5 Year Trend



### Interest Income



### Non Interest Income

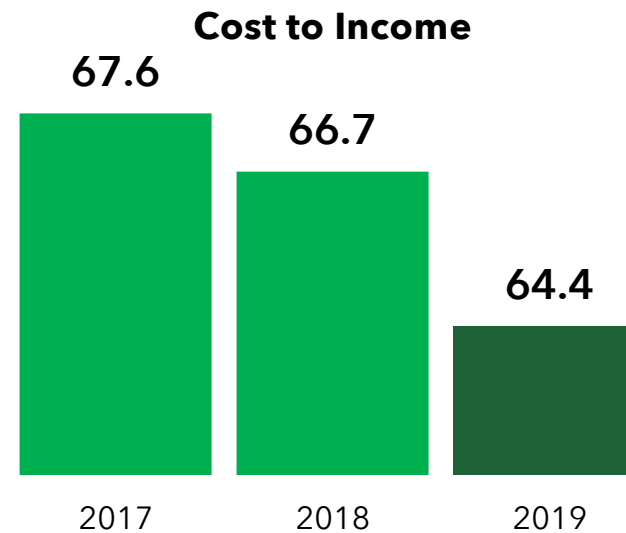
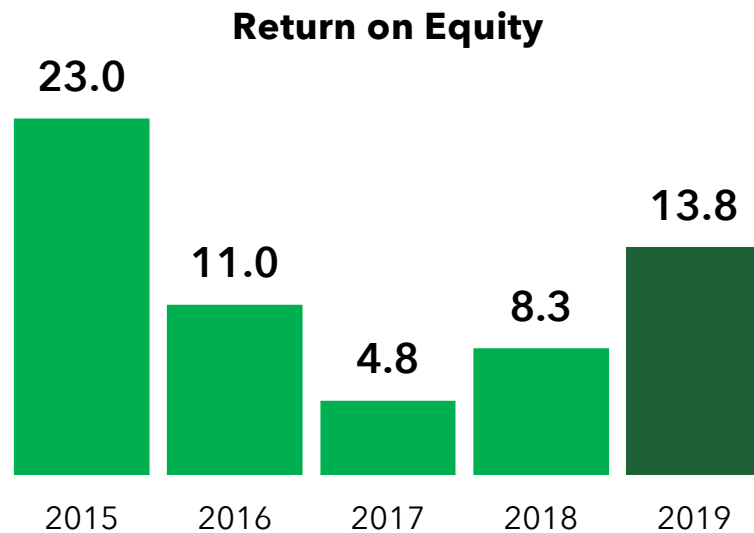


Amount in TZS Bn

## Remarks

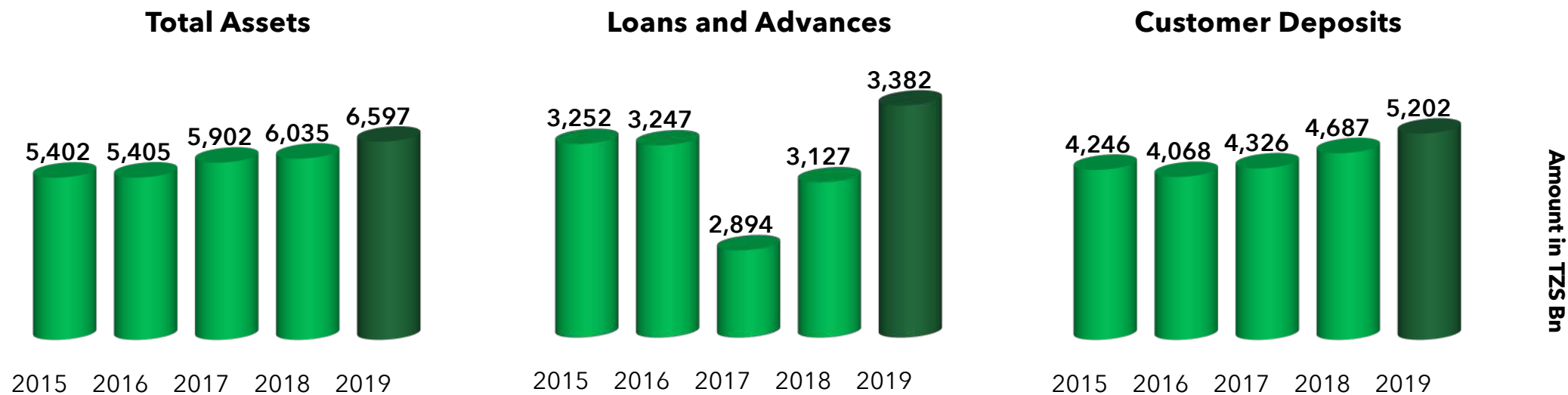
- Interest income grew by 7.8% to TZS 660 billion
- Non interest income grew by 18.7% to TZS 229 billion
- Shareholders funds increased by 13.7% to TZS 873 billion

# Solid Shareholder Returns and Cost Discipline



## Remarks

- New investments into platform activities to underpin future growth
- Good progress on cost savings & adoption of digital channels
- Simplify product portfolio and consolidate work to create synergies and scale
- Centralization, standardization and automation of back office processes

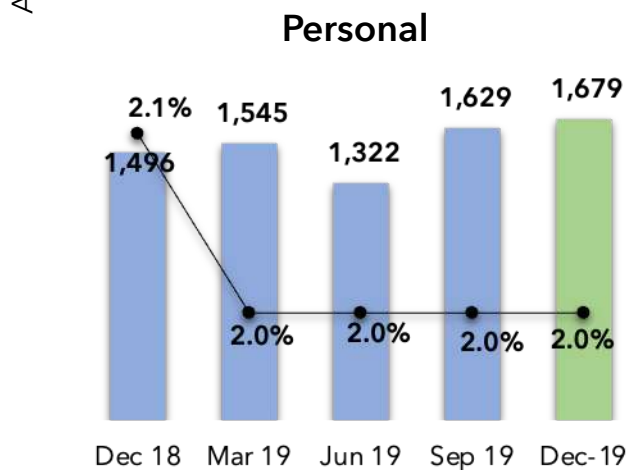
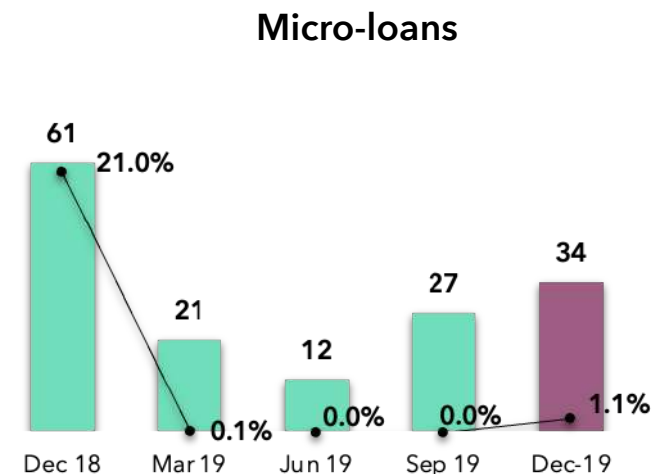
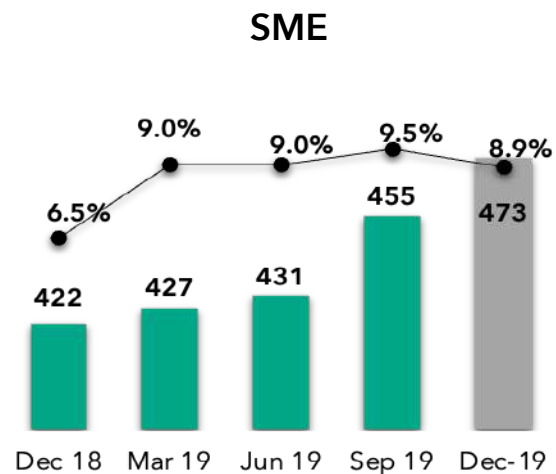
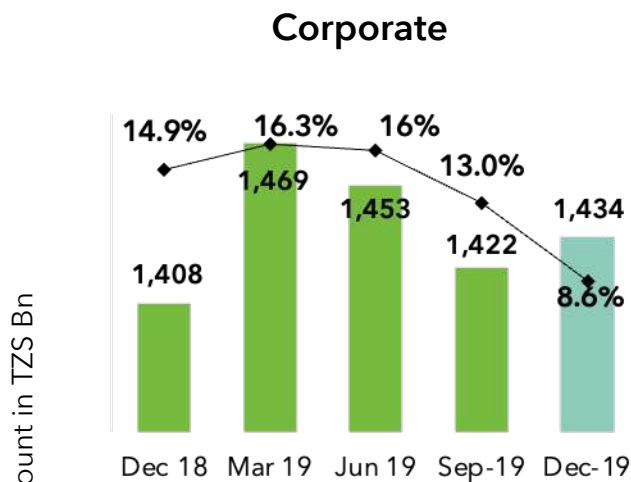


## Remarks

- Group's assets grew by 9.3% reaching TZS 6.6 trillion
- Customer deposits grew by 11.0% reaching TZS 5.2 trillion
- Loans and advances grew by 8.2% reaching TZS 3.4 trillion

# Portfolio growth and credit quality

Portfolio growth and credit quality is supported by our prudent approach to risk

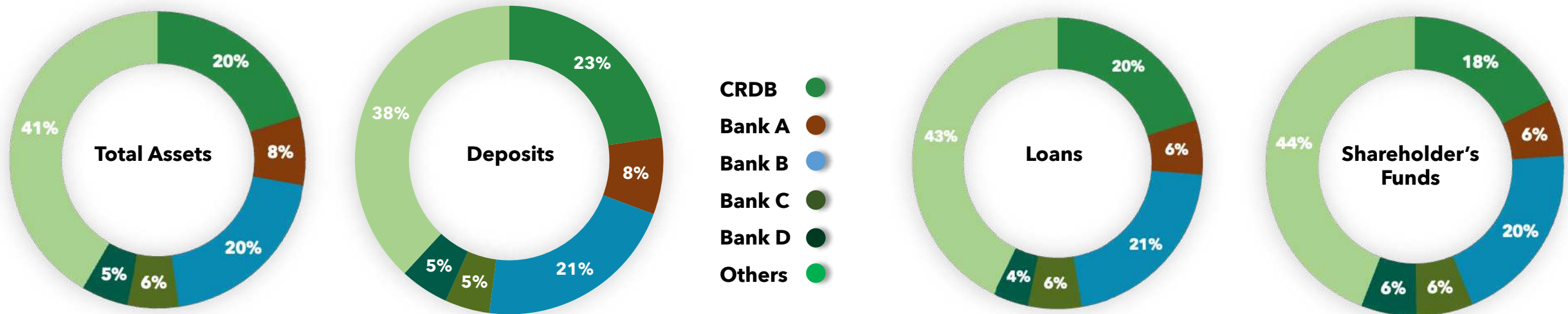


Loans —● NPL

## Remarks

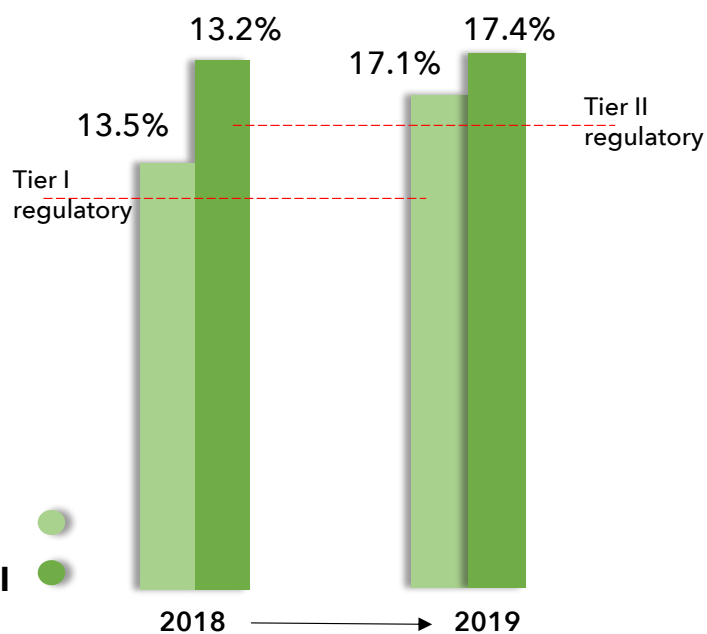
- Loans & Advances YoY grew by 8% to TZS 3.3 trillion
- Healthy portfolio with an NPL ratio of ~5.5%
- Diversed loan portfolio targeted performing sectors of the economy

## Attained leading position in most of the financial parameters



### Remarks

- Assets market share is 20%, loans and advances market share is 20%, customers deposits market share is 23% and shareholders funds market share is 18%.
- The bank had the highest non-interest income with 25% market share.



## Strong capital position, both on risk weighted and unweighted basis

- Adequate capital level and buffers over regulatory requirements
- Well positioned for future growth and expansion to new markets

A hand is pointing at a smartphone screen, while another hand holds a credit card. A laptop is visible in the background. The scene is overlaid with a semi-transparent green filter.

# **Business Updates**





Retail deposits



Retail loans



The Retail loan book grew by 11.9% to reach TZS 2.04 trillion

Leveraging on both traditional and alternative banking channels (ABCs), the retail segment increased deposits by 9%

Personal portfolio growth (YoY: 21.6%), SMEs (YoY: 13.6%) and micro loans (YoY: -28.9%)



**Loan book grew by 2.3% to reach TZS 1.4 trillion**

**Grew deposit growth by 13%**

**Financed high profile country infrastructure projects**

**Collaborated with government to support digitalization and ease of payments**





- Treasury business continues to contribute positively to the Bank's profitability.
- In the year, contribution to the total interest income was 28.3%.
- The Bank maintained the number one spot in the market on revenue generated from foreign exchange (FOREX) business. The position has been successfully achieved for the last four consecutive years.
- The year evidenced the adoption of new business line in banking operations - Bureau de change, with impressive performance results in terms of volume traded in across borders.



**Market leader  
in Forex  
Business**

## 1

### Insurance

- Insurance line recorded a cumulative profit after tax of TZS 1.5 billion compared to TZS 1.3 billion in 2018, an increase of 17%
- Commission income earned increased from TZS 5.6 billion in 2018 to TZS 6.3 billion in 2019, a growth of 12%. General and life insurance contribution was 66.6% and 33.3% respectively
- Total assets grew from TZS 3.8 billion in 2018 to TZS 4.9 billion in 2019, an increase of 28% while total shareholders' equity recorded an increase of 58% to TZS 4 billion from TZS 2.5 billion in 2018
- Return on Equity for the year was 53%, compared to 50% recorded in 2018

## 2

### Burundi

- Strong performance, PAT TZS 6.4 billion. YoY growth of 141%
- Interest income grew by 23%, Non interest income grew remarkably by 102%
- Total assets achieved a YoY growth of 31.6%
- Total deposits grew by 43.8% YoY
- Return on Equity improved from 11% in 2018 to 20% in 2019
- The Core Capital Ratio improved from 25% to 30% (regulatory 12.5%) while the Total Capital Ratio improved from 26% in 2018 to 31% in 2019 (regulatory 14.5%)
- Segment contribution to total interest income in 2019: Retail (35%), Corporate (5%) and treasury (60%)



# **Other Information**



## Our role as a financial services institution is to support and stimulate economic, social and environmental progress

- Supported government infrastructure projects to foster economic development, facilitate trade and finance and improve communities
- CRDB's corporate social investment (CSI) has invested in focused education development Programs
- After the GCF accreditation, supporting UN's SDG no.13 of Climate Action has become a top priority for the Bank. Investments have been made in the implementation of the GCF Projects
- Developed tailored gender based programs such as WAFI to empower women entrepreneurs
- CRDB Burundi has financed a hydropower project through a direct loan to government of Burundi



<p><b>1</b> NO POVERTY</p>	<p><b>4</b> QUALITY EDUCATION</p>	<p><b>5</b> GENDER EQUALITY</p>
<p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>	<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	<p><b>13</b> CLIMATE ACTION</p>

Our successes in 2019 have been demonstrated by winning key industry awards

The Banker



Bank of the Year in Tanzania

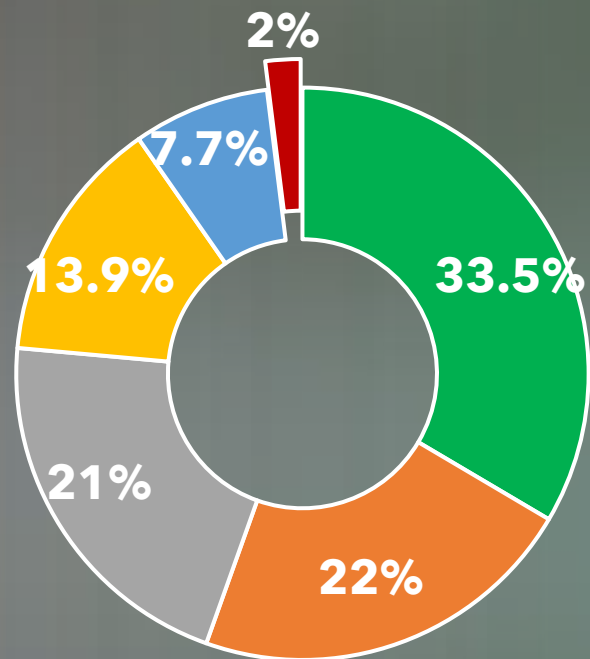


Recognition for Excellence in Financial Reporting



Best MIM Company of the Year

# Shareholding Structure



- Co-operatives
- DANIDA
- Private companies
- Foreign investors
- Tanzania pension funds
- Individuals

	Shareholders	Shares
Individuals	33.5%	874,726,035
Foreign investors	22.0%	573,687,244
DANIDA	21.0%	548,067,648
Tanzania Pension fund	13.9%	362,297,045
Private Companies	7.7%	201,262,840
Cooperatives	2.0%	51,797,772
<b>Total</b>	<b>100%</b>	<b>2,611,838,584</b>





**Loan Growth**

**10% - 15%**

**Deposit Growth**

**10% - 14%**

**Non Funded Income**

**35% - 40%**

**Cost to Income Ratio**

**55% - 60%**

**Return on Equity**

**16% - 18%**

**Return on Assets**

**2.5% - 3%**

**NPL**

**4% - 6%**

# 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.



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