



**1Q2021**

FINANCIAL RESULTS



# Q1 2021 RESULTS SNAPSHOT

## KEY INDICATORS

**NET PROFIT**  
TZS 43 billion

**TOTAL INCOME**  
TZS 221 billion

**BOOK VALUE**  
TZS 402

**EARNING PER SHARE**  
TZS 16.9

## SOUNDNESS

**ROA**  
3.5%

**ROE**  
16.7%

**CTI**  
57.9%

**CAR**  
17.8%



**BURUNDI SUBSIDIARY**  
PAT TZS 1,924bn

# MACRO PERSPECTIVES



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- The economy grew by 4.8% in 2020, in comparison to 7% the year before
- Stable inflation rate - Twelve-month headline inflation was 3.2% in March 2021
- Credit to private sector grew by an average of 2.3 in Q1 2021 compared to 8.6% in Q1 2020
- Money supply (M3) increased by 6.8% in March 2021 compared to 9.9% in March 2020
- Stable exchange rate - Between March 2020 and March 2021, the US Dollar traded between TZS 2,300 and TZS 2,310



## BANKING SECTOR

- Improved Asset Quality - NPL ratio for the sector decreased to 9.3% in December 2020 from 10.8% in June 2020
- Bank of Tanzania (BOT) issued a circular requiring all banks to maintain an NPL of below 5% and a cost-to-income ratio of 55% by 2022
- After being placed under statutory by the BOT, China Commercial Bank was taken over by NMB Bank Plc in March 2021
- Bank of Malawi acquired a controlling stake in Akiba Commercial Bank

# OPERATIONAL HIGHLIGHTS

Launched digital KYC update through  
Mobile with biometric capabilities

Revamped SimBanking App and  
USSD and enhanced digital options  
through various integrations, i.e.  
Insurance purchase, M-Bet



Optimized technology to promote  
customer feedback through digital  
tools, i.e. Upgrade QR code for real  
time feedback

Streamlined Head Office and branch staff  
to drive productivity

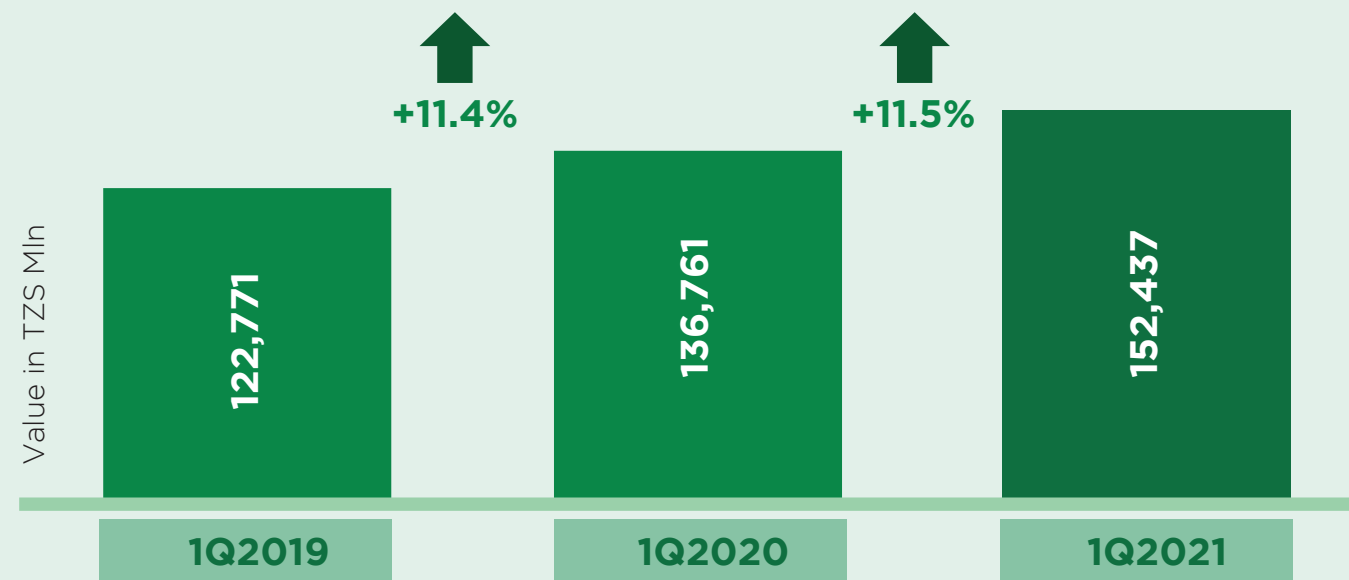
# INCOME STATEMENT

## Group Income Statement

Value in TZS Bln	1Q2021	1Q2020	YoY % Change
Net Interest Income	152	137	11%
Non-Funded Income	69	66	5%
<b>Total Income</b>	<b>221</b>	<b>203</b>	<b>9%</b>
Non Interest Expense	(134)	(132)	1%
Profit before allowances	88	71	24%
Allowances	(26)	(25)	3%
Profit Before Tax	62	47	36%
<b>Profit after Tax</b>	<b>43</b>	<b>32</b>	<b>32%</b>
<b>Selected Financial Indicators</b>			
Market Share Price (Tzs)	230	140	64%
Book Value Per Share (Tzs)	402	350	15%
Market Capitalization (Tzs Bln)	600	366	64.1%

- **Net interest income grew by 11% driven by growth in loans and advances, and investments in government securities**
- **Group achieved positive cost to income JAWS. Total Income grew by 9% whilst Operating Expenses increased by only 1%.**
- **Impairment charges grew by 3%**
- **Profit after tax of TZS 43bn achieved in the quarter. This is the highest amount to ever be recorded in the first quarter.**

# NET INTEREST INCOME



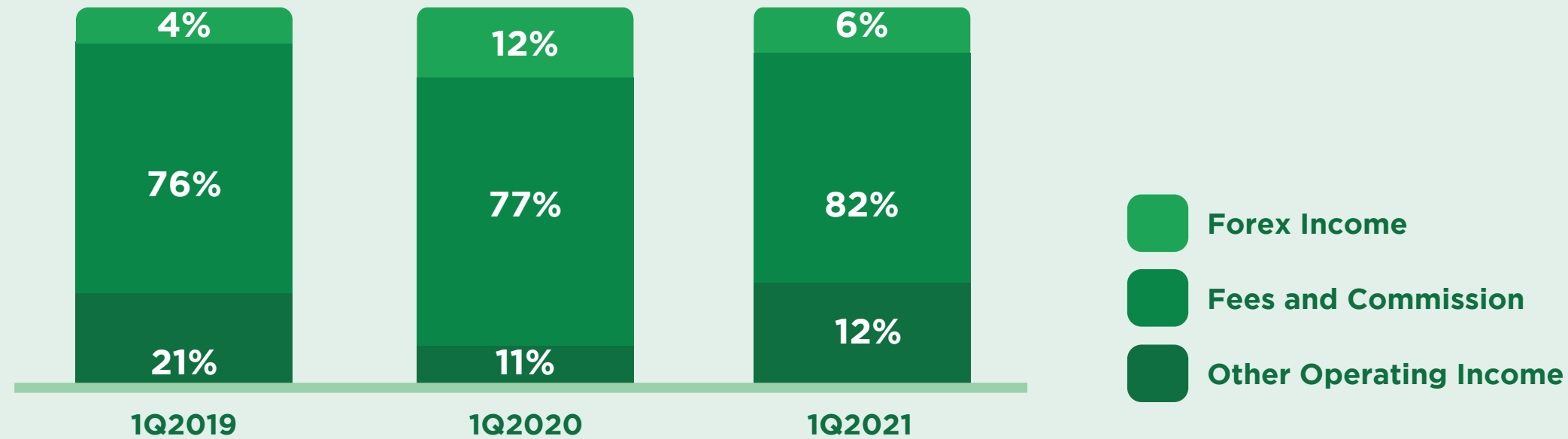
## Net Interest Margin

Period	1Q2019	1Q2020	1Q2021
Net Interest Margin	10.1%	10.6%	10.6%

## Remarks

- 1Q21 net interest income increased by TZS 15.7 billion YoY
- The YoY increase in net interest income reflected an increase in interest-earning assets, particularly government securities and net loans
- Despite the continued pressure on interest rates, the Group maintained a net interest margin (NIM) of 10.6%

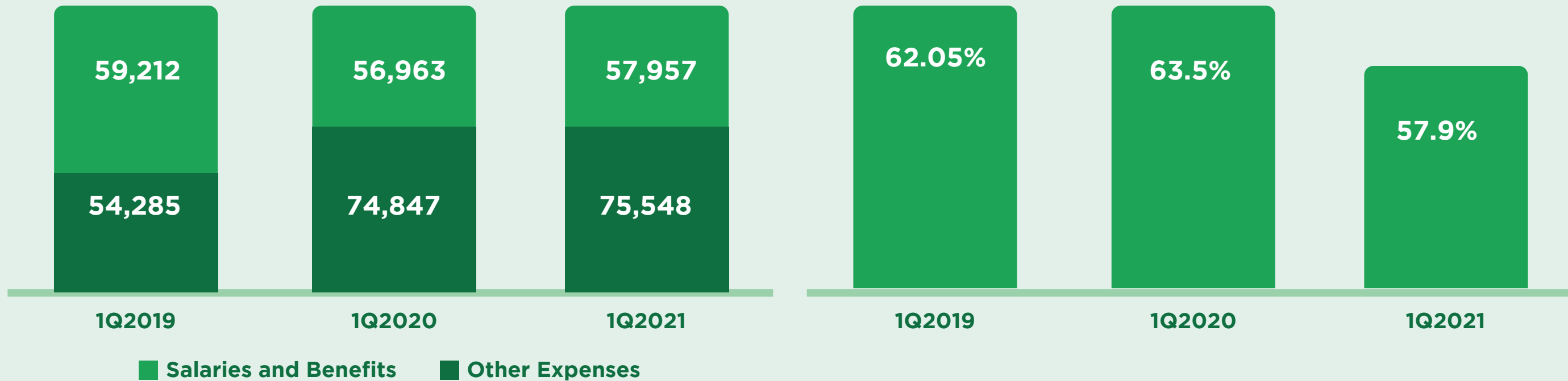
# NON INTEREST INCOME



## Remarks

- In 1Q.21, the contribution of NFI to total income reduced to 38% from 40% in 1Q20
- Contribution of forex income and net fees and commission to NFI increased to 11.8% and 81.9% respectively from 10.7% and 77.2% in 1Q20
- This is result of increase of economic activities in trade, tourism and investment
- However, the contribution by other operating income decreased from 12% in 1Q.20 to 6.3% in 1Q21

# NON INTEREST EXPENSE



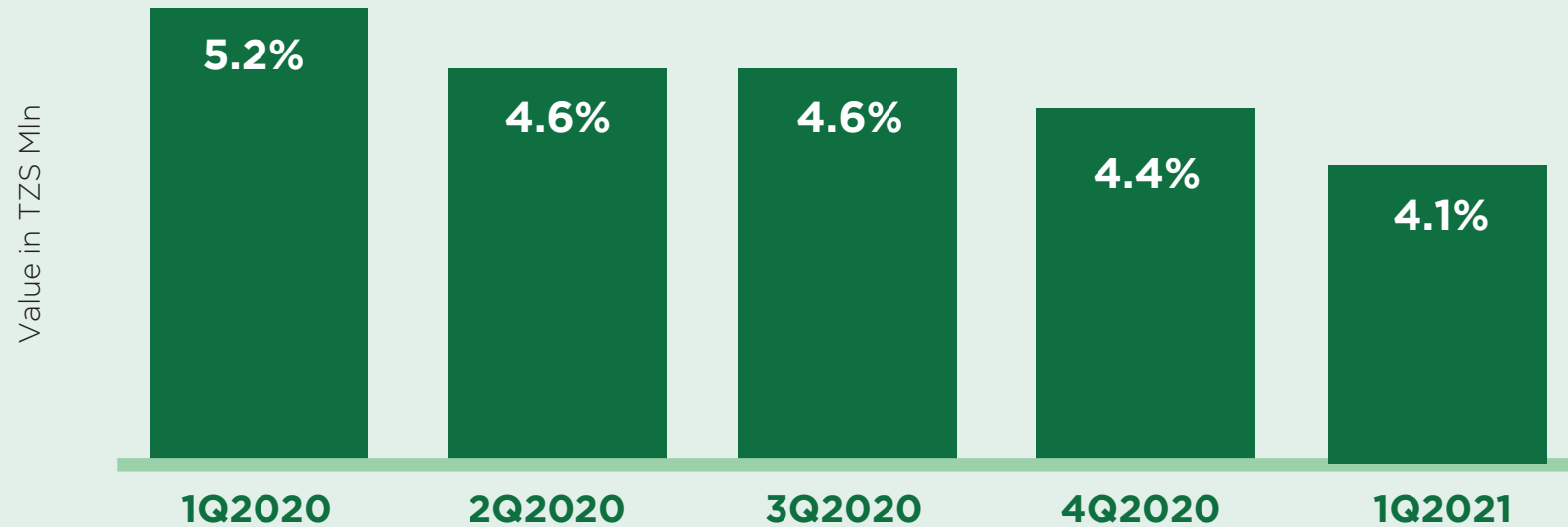
## Remarks

- Cost containment efforts paying off
- Operating expenses increased by 1% YoY
- Salaries and benefits increased by 1% YoY
- Non-compensation benefits increased by 2%

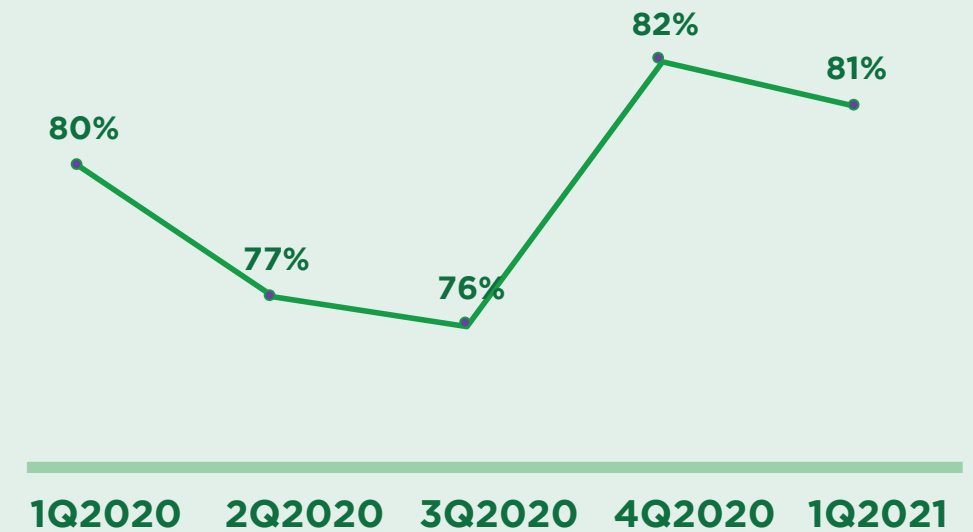


# ASSET QUALITY

## GROUP NPL



## NPL COVERAGE



## Remarks

- Asset quality has continued improving in the year with the NPL ratio shrinking from 5.2% in 1Q2020 to 4.1% in the reporting quarter
- The total value of Non-Performing Loans in 1Q2021 is 10% less than the amount recorded in the same period in the previous year.
- The Group has continued to maintain healthy coverage ratios despite improved asset quality.
- Corporate segment constitutes 37% of the allowance for probable losses, decreasing from 49% of Q1 2020. Retail portfolio accounting for 63%

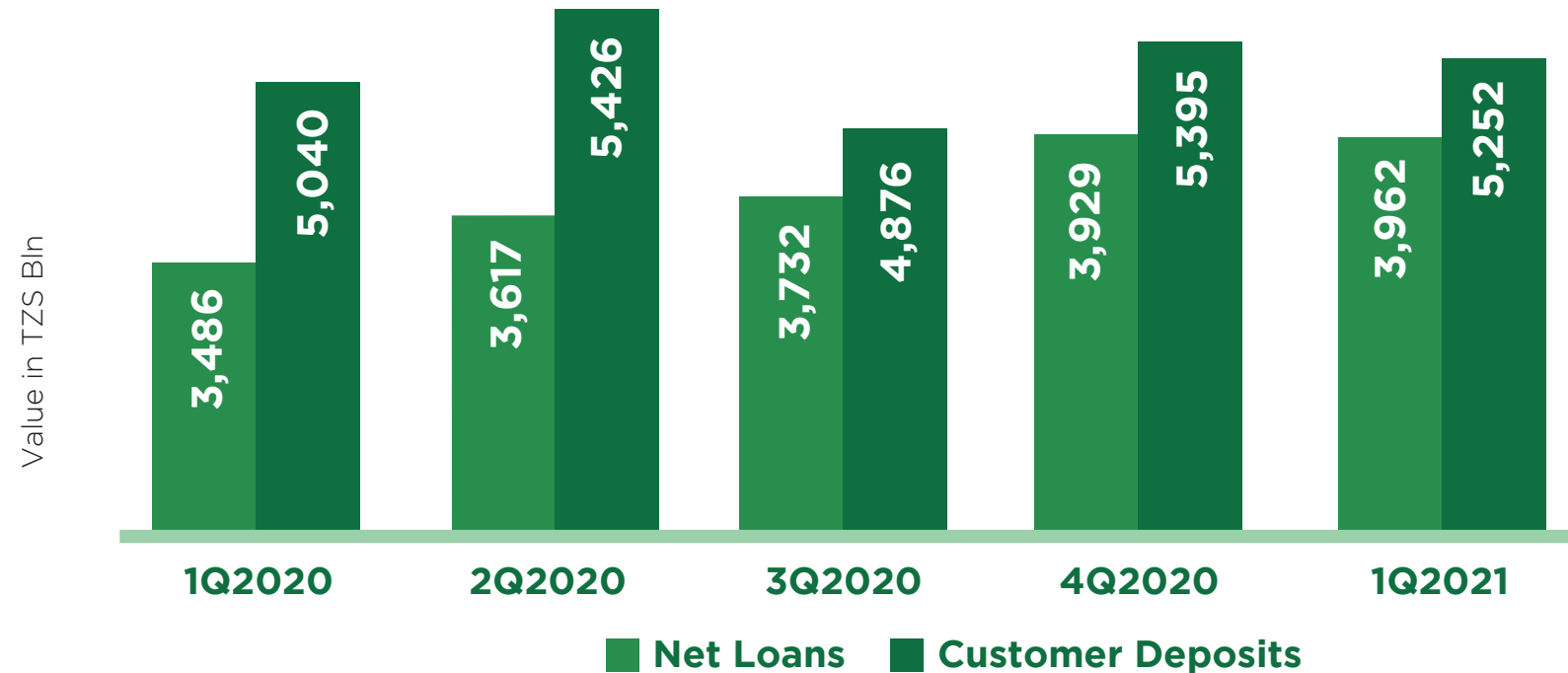
# BALANCE SHEET

## Group Balance Sheet

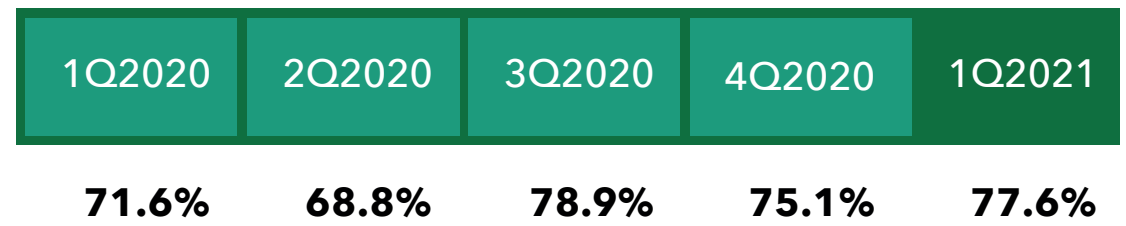
Value in TZS Bln	1Q21	1Q20	YoY % Change
<b>Assets</b>			
Government Securities	1,499	1,455	3%
Net Loans	3,962	3,486	14%
Total Assets	7,208	6,571	
<b>Liabilities and Capital</b>			
Deposits	5,252	5,040	4%
Borrowed Funds	661	387	71%
Shareholder's Funds	1,051	915	15%

- Total assets grew by 10% Y-oY driven by increase in investment in government securities, and loans and advances.
- The loan book continues to be dominated by retail loans which made up 65% of the Group's loan portfolio.
- Deposit growth of 4% YoY compared to 16% in Q1 2020 due to market liquidity challenges as an impact of COVID 19.
- Following the ongoing liquidity challenge in the market, the Bank increased its borrowings by a little over TZS 250bn, 71% growth from 1Q20.

# LOANS AND DEPOSITS



## LDR



## Remarks

- Net loans grew by 14% Y-o-Y, driven by growth in the retail business, specifically personal, SME and microfinance loans
- Y-o-Y, customer deposits increased by 4% driven by growth in local currency savings and term deposits
- The Bank liquidity ratio as at end of 1Q2021 was 22.7% above regulatory ratio of 20%
- Optimization to improve asset yield while operating within regulatory and internal limits

# CAPITAL



## Remarks

- Improvement in Group's capital position resulting from 20% YoY growth of retained earnings.
- Both Core and Total Capital ratios remain well above regulatory limits of 12.5% and 14.5% respectively.

# SUBSIDIARIES PERFORMANCE

## Balance Sheet and Income Statement

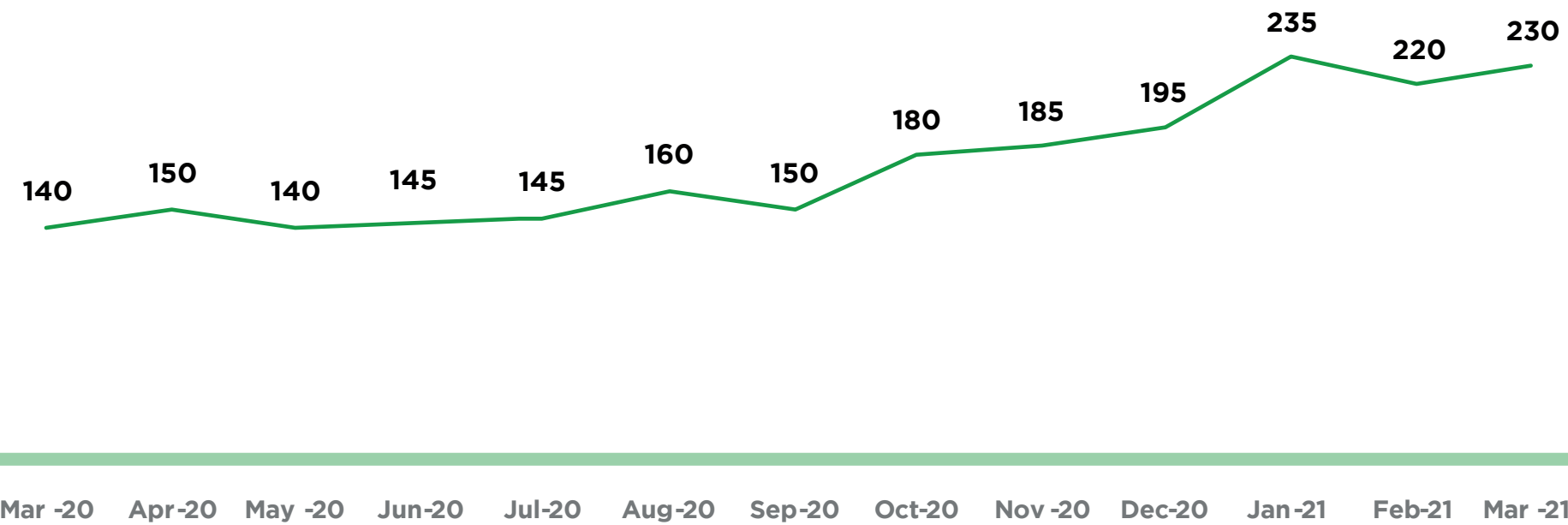
Value in TZS Bln	1Q21	1Q20	% change
<b>Burundi</b>			
Total Assets	363.5	338.2	6%
Total Deposits	198.8	164.7	28%
Operating Income	5,143	5,109	1%
Net Profit	1,924	1,745	10%
<b>Insurance</b>			
Total Assets	8,836	7,555	14%
Net Commission Income	1,383	3,193	-57%
<b>Net Profit</b>	<b>731</b>	<b>1,798</b>	<b>-59%</b>



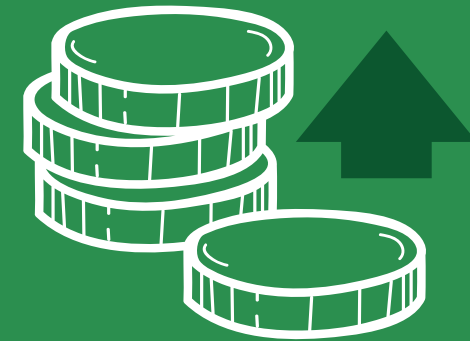
## Remarks

Contribution from subsidiaries has decreased from TZS 3.5 bn in Q1 2020 to TZS 2.7bn in Q1 2021

# SHARE PERFORMANCE



64%



- CRDB share price increased by 64% YoY from TZS 140 in March 2020 to TZS 230 in March 2021
- CRDB was the most traded stock on the Exchange during the period

# 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.

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## CONTACT US



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