

INVESTORS APRIL 2019



The bank that listens

An aerial photograph of a coastal city, likely Manila, Philippines, showing a large harbor with several ships and a dense urban area with numerous high-rise buildings. A large green triangular overlay covers the top right portion of the image, containing the text 'OUR CORPORATE PROFILE'.

OUR CORPORATE PROFILE

22 Years

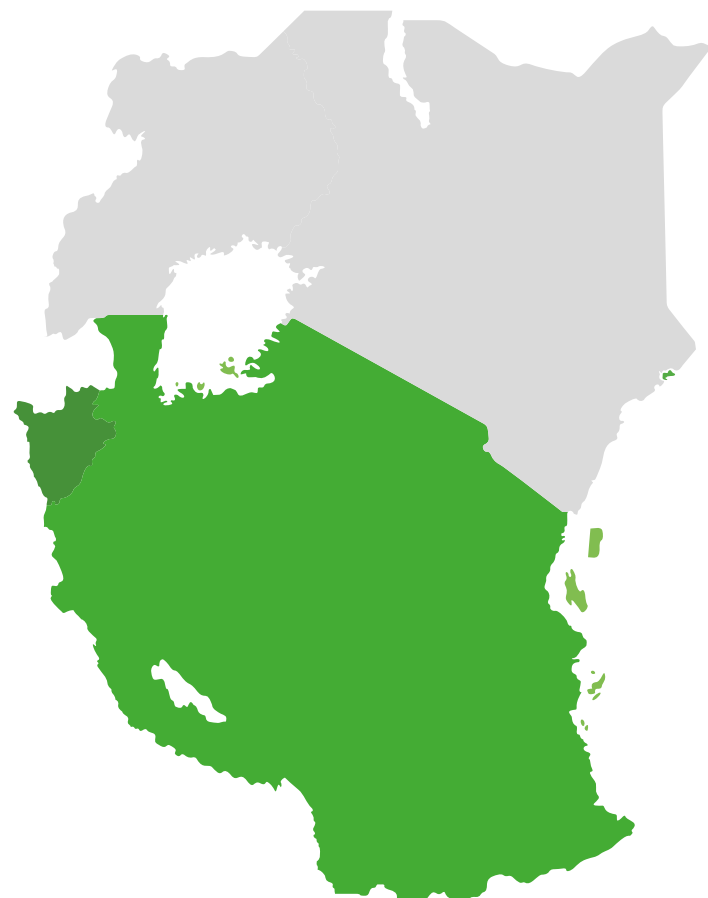
Our Coverage
Tanzania & Burundi

Our Subsidiaries

CRDB Burundi

CRDB Microfinance

CRDB Insurance Broker



266
Branches



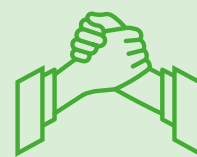
553
ATM's



8,075
Bank Agents



1,107
Merchant POS



402
Microfinance
Partners



21
Mobile
Branches

**Robust Online
Banking Platforms**



Over 3,000
professional staff



44%

56%



Maintain over
3 Million
customer base

OUR STRENGTH

TZS 791 Billion
Total Capital

TZS 6 Trillion
Total Assets

**Leading the
Market**

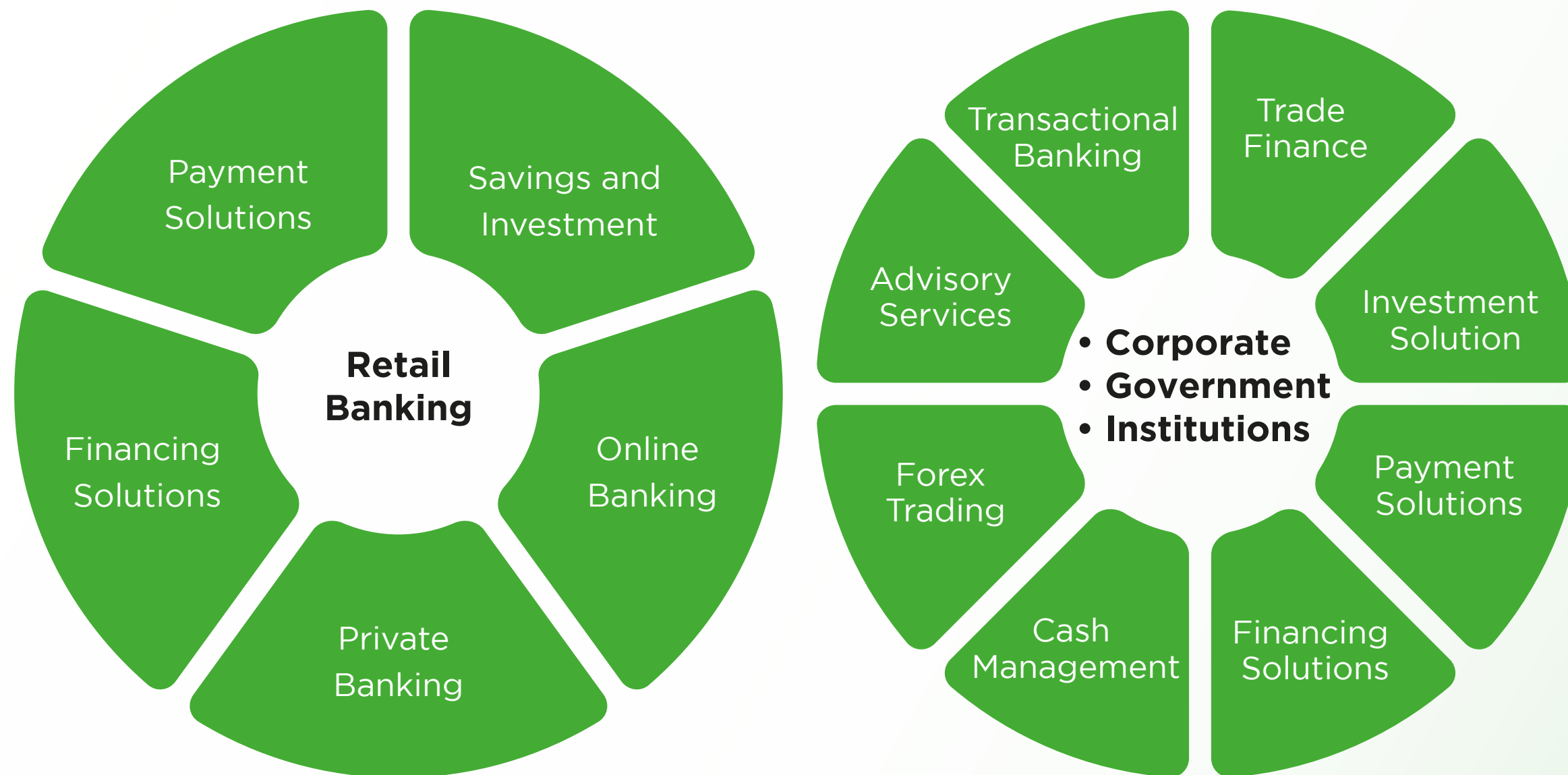
20.2%

**Total
Asset**

23.3%

**Customer
Deposits**

THE SEGMENTED FRANCHISE



TOTAL CREDIT PORTFOLIO
TZS 3.2 TRILLION

CREDIT PORTFOLIO SPLIT BY SECTOR

Personal	39%
Trade & Manufacturing	16%
Construction	13%
Agriculture	10%
Education & Health	5%
Transportation	4%
Tourism	4%
Financial Institution	3%
Mining, Oil & Gas	3%
Energy	2%
Other	1%

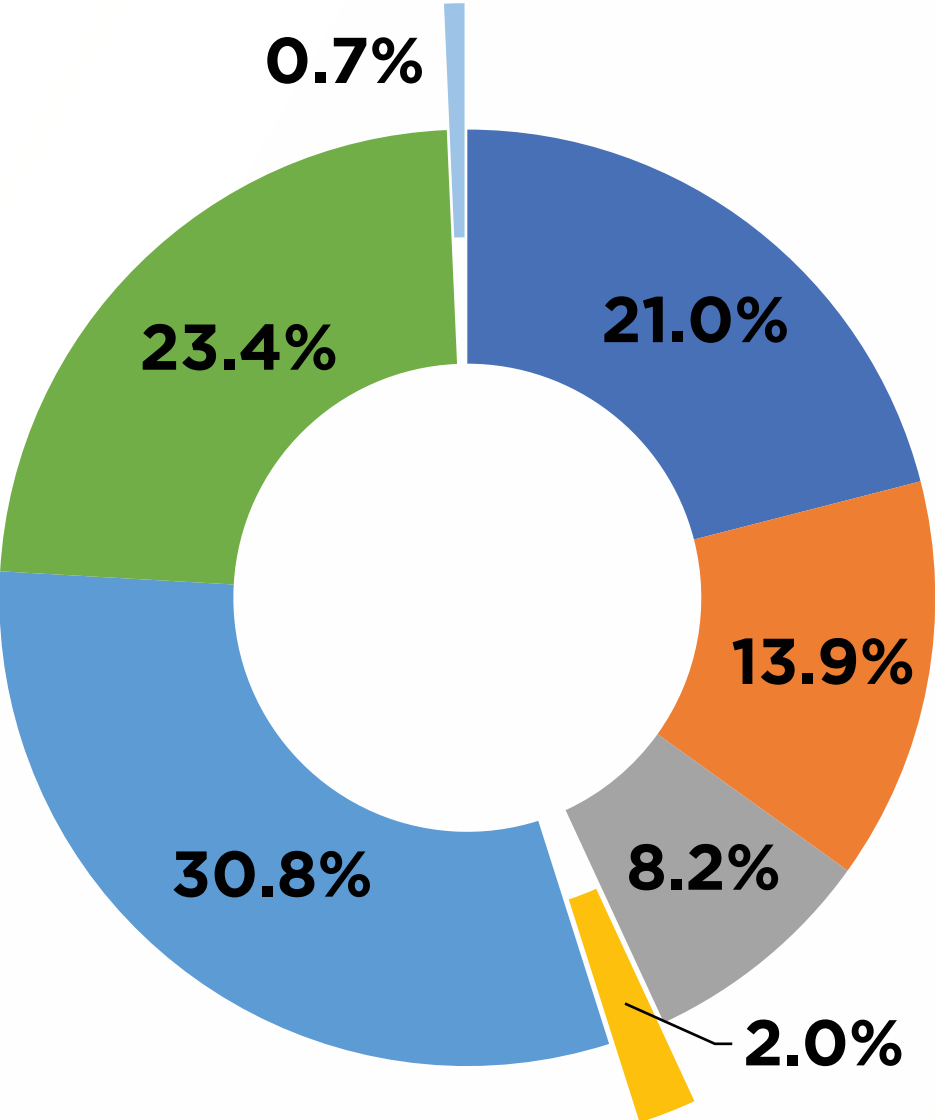
CREDIT PORTFOLIO SPLIT BY SEGMENT

Personal	44.7%
Corporate	42.4%
SME	12.9%

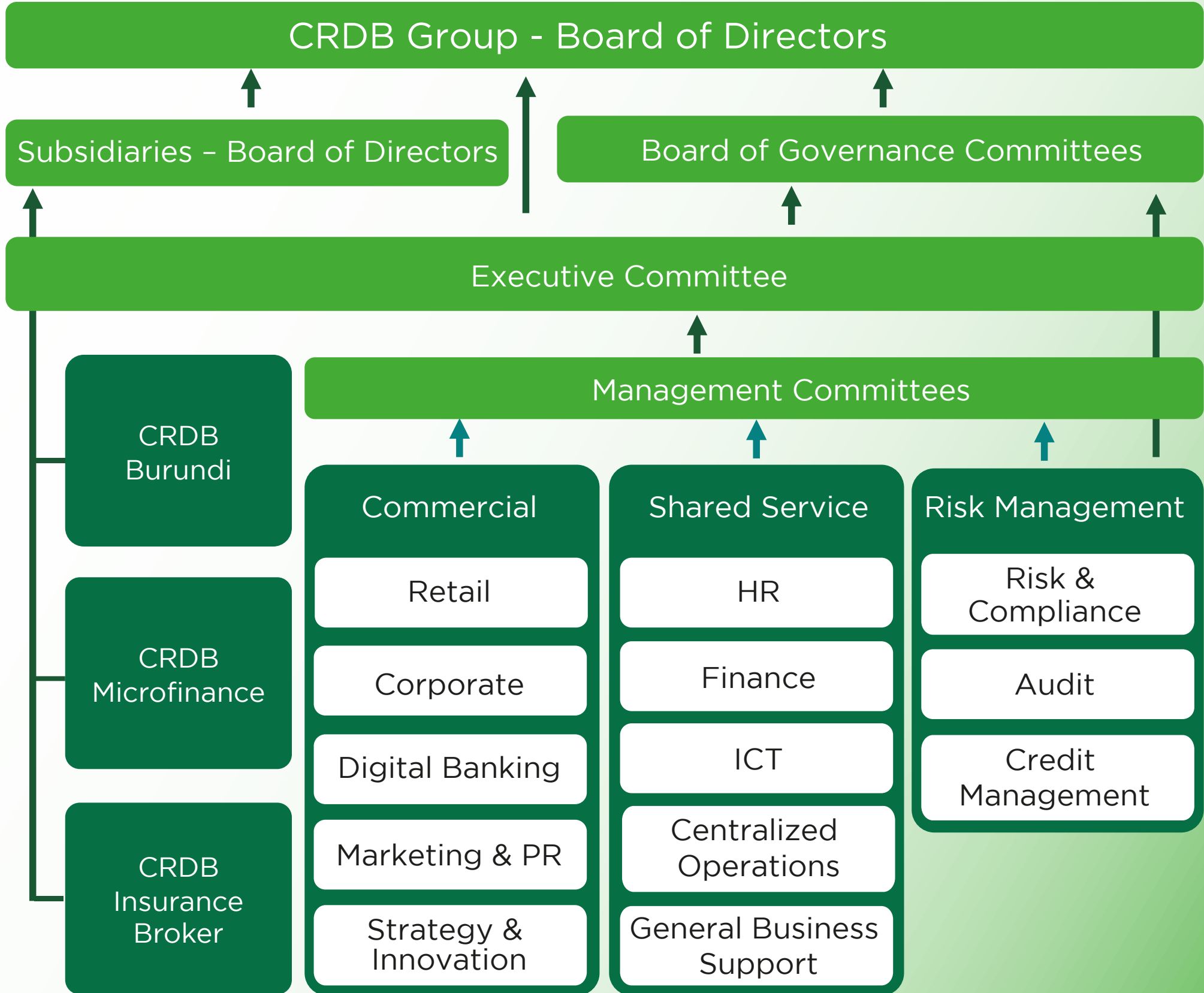
OUR OWNERSHIP AND GOVERNANCE

Share Holding Structure

- Danida Investment Fund (DIF)
- Pension Funds
- Private Companies
- Cooperatives
- Individuals
- Foreign Investors
- Employees and Directors



Governance Structure



OUR STRATEGIC ALLIANCES

Our Strategic Partners in Service Delivery

- Generating Funding Capabilities
- Enabling Collection Solutions
- Powering Payment Solution
- Accelerating Financial Inclusion



AFRICAN DEVELOPMENT BANK GROUP
GROUPE DE LA BANQUE AFRICAINE
DE DÉVELOPPEMENT



+500 MORE OTHER PARTNERS

BUSINESS ENVIRONMENT



REFLECTING ON OPERATING ENVIRONMENT

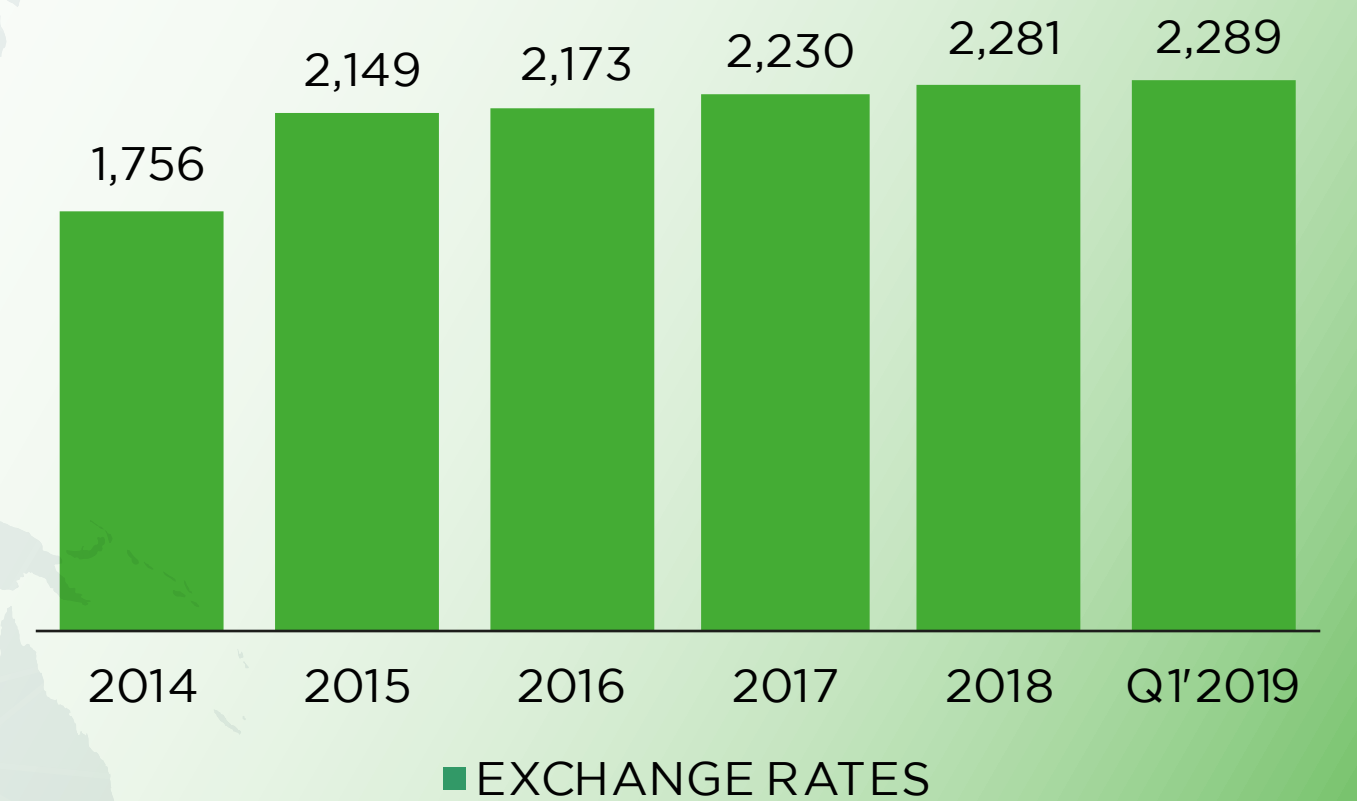
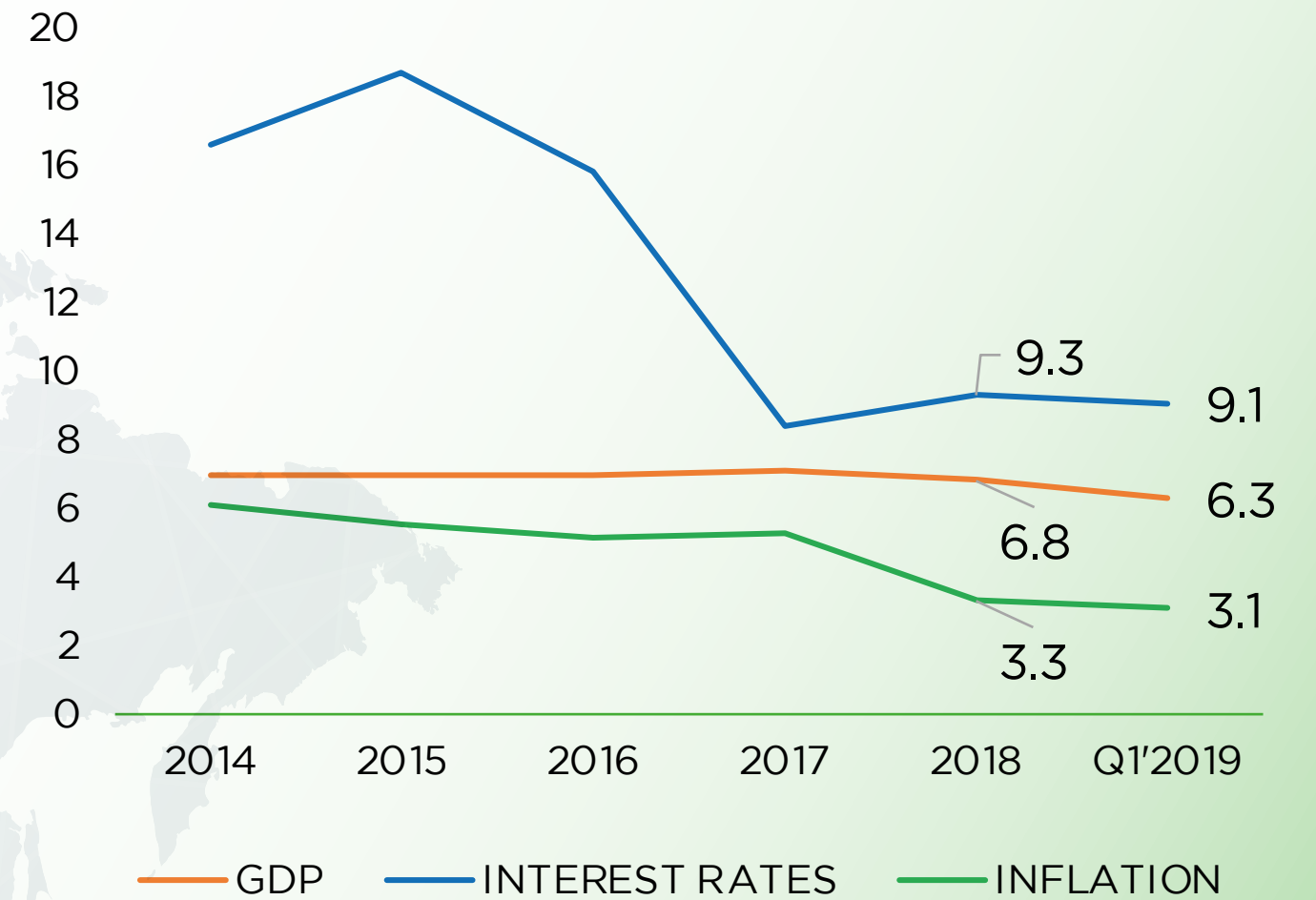
MACRO ECONOMICS

Steady economic growth, average GDP 7%

Decline Inflation rates to 3.1%

Decline interest rates - 364 days T-Bills to 9.1%

Steady exchange rates at average 2,250 per USD



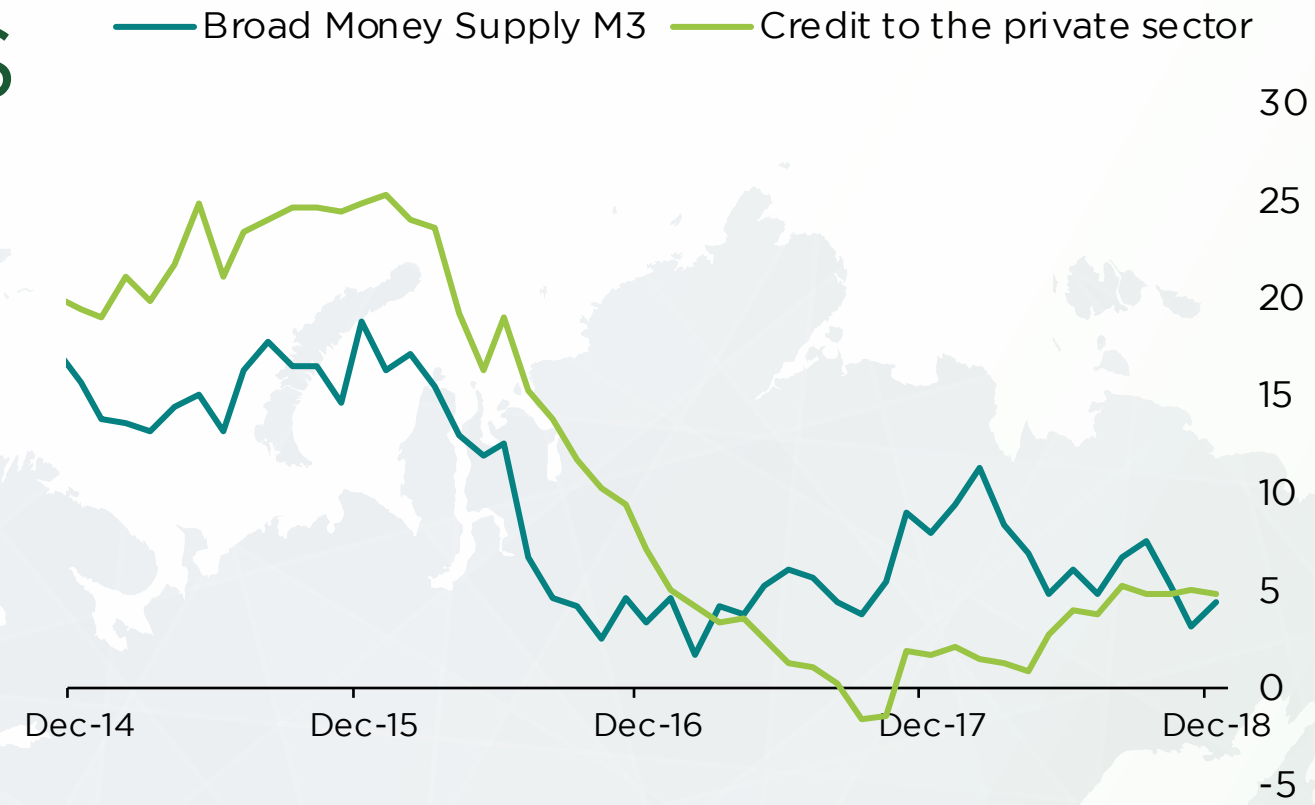
REFLECTING ON OPERATING ENVIRONMENT

MACRO ECONOMICS

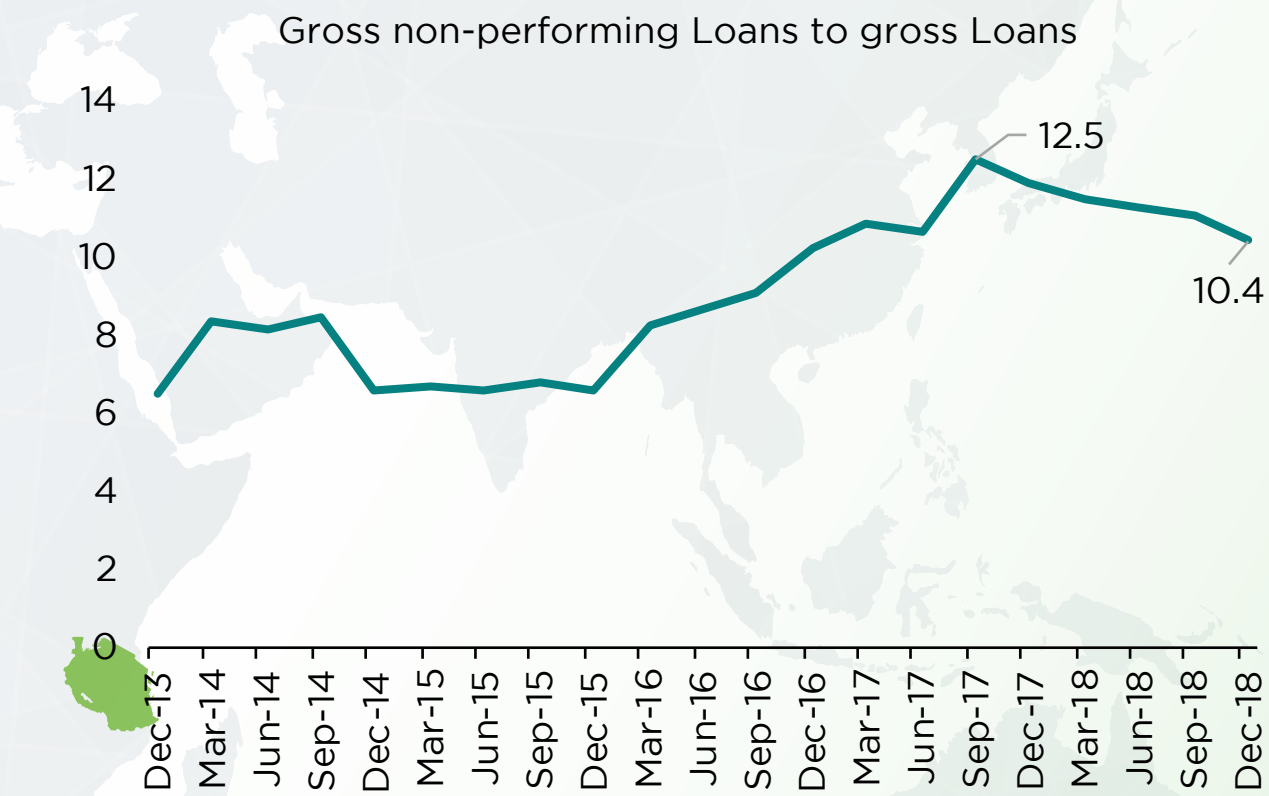
Decline on deposits due to slowdown of M3 from 4.5% to 3.1% Q1'19

Growth of credit to private sector

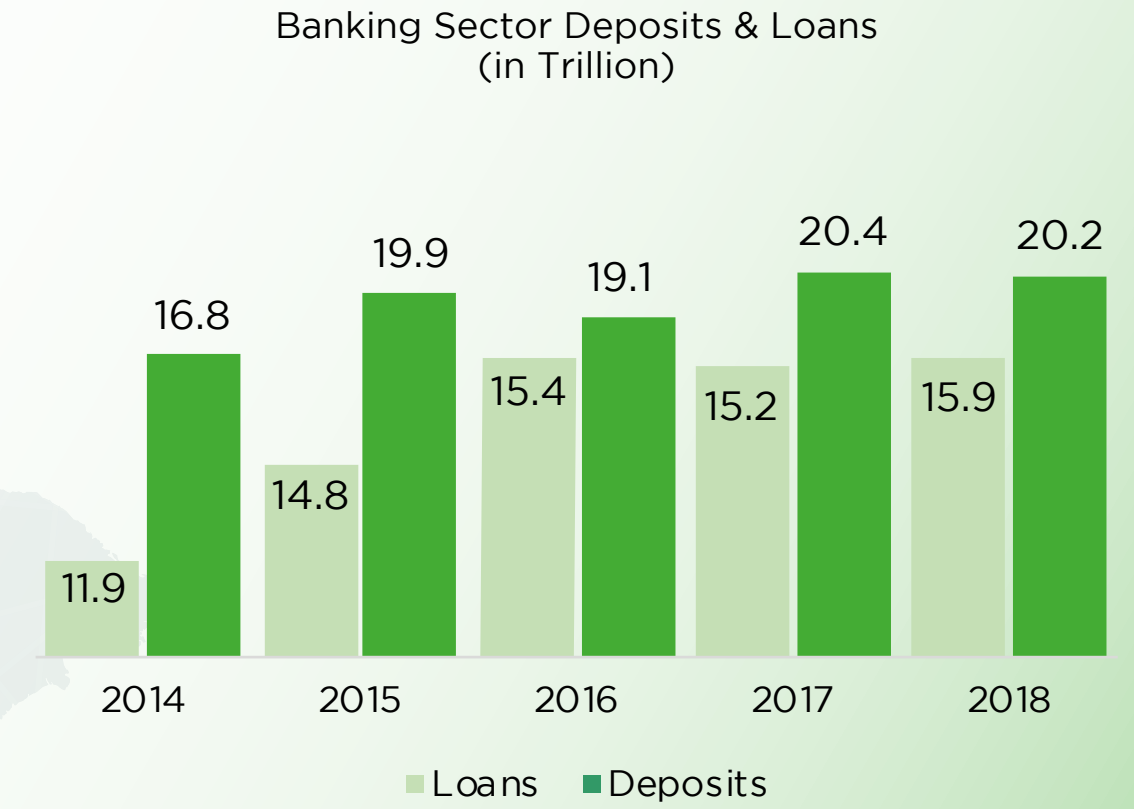
Slightly decline on profitability driven by increased impairment charges



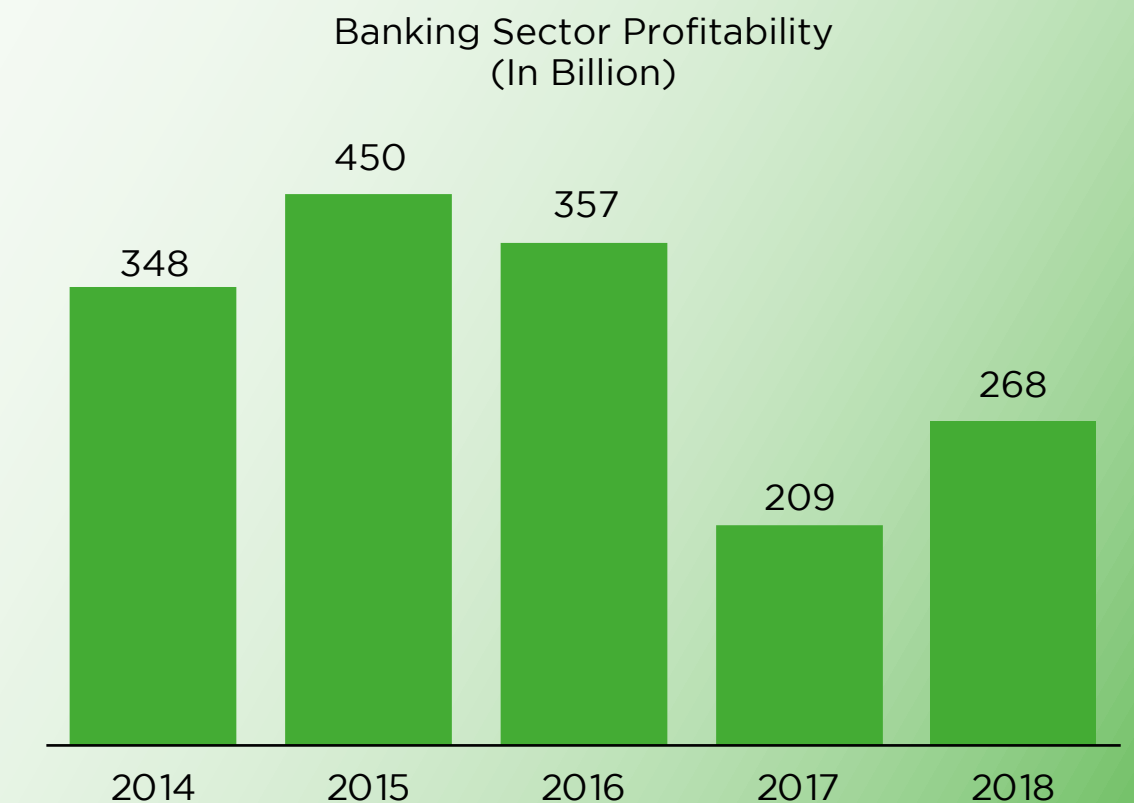
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Source: BOT



Source: BOT



Source: BOT

REFLECTING ON OPERATING ENVIRONMENT

CHANGES ON MARKET CONDITIONS

Increased Regulations	Increased Volatility	Increased Disruption
<p data-bbox="726 1033 1186 1071">Introduction of IFRS 9</p> <hr data-bbox="759 1108 1152 1112"/> <p data-bbox="703 1136 1209 1277">Single treasury account Implementation of operational risk</p> <hr data-bbox="759 1305 1152 1309"/> <p data-bbox="776 1333 1136 1371">Tax enforcement</p> <hr data-bbox="759 1399 1152 1403"/> <p data-bbox="803 1427 1109 1465">Loan write-off</p>	<p data-bbox="1502 1033 1852 1071">Stiff competition</p> <hr data-bbox="1469 1108 1862 1112"/> <p data-bbox="1412 1136 1952 1221">Changing customer behaviour and preference</p> <hr data-bbox="1469 1268 1862 1271"/> <p data-bbox="1452 1333 1912 1371">Increased Cyber fraud</p> <hr data-bbox="1469 1399 1862 1403"/> <p data-bbox="1426 1427 1939 1465">Changing demographics</p>	<p data-bbox="2135 986 2652 1071">MNO pressurise changes on our operating model</p> <hr data-bbox="2202 1099 2585 1103"/> <p data-bbox="2159 1136 2635 1315">Mobile technology and social media demands regular changes of our processes</p> <hr data-bbox="2202 1343 2585 1346"/> <p data-bbox="2169 1380 2625 1512">Technology changes demands more capital investments</p>

The image features a close-up, low-angle view of a dark asphalt road. Several white, arrow-shaped road markings are painted on the surface, pointing towards the horizon. The arrows are in sharp focus in the foreground and become increasingly blurred as they recede into the distance. A large, solid green shape, resembling a diagonal wedge or a stylized arrow, is positioned in the upper right corner of the frame, partially overlapping the road. The overall composition suggests a path forward or a journey towards a goal.

MAJOR MILESTONES

SUPPORT COUNTRY MAJOR ECONOMIC PROJECT



Infrastructure Financing

Financed Country SGR project by **TZS 238 Billion** - through syndication (off balance sheet)



Energy Financing

Financed Rufiji Hydropower project by **TZS 1.7 Trillion** - through syndication



Agribusiness Financing

Financed country Agriculture projects by **TZS 380 Billion**

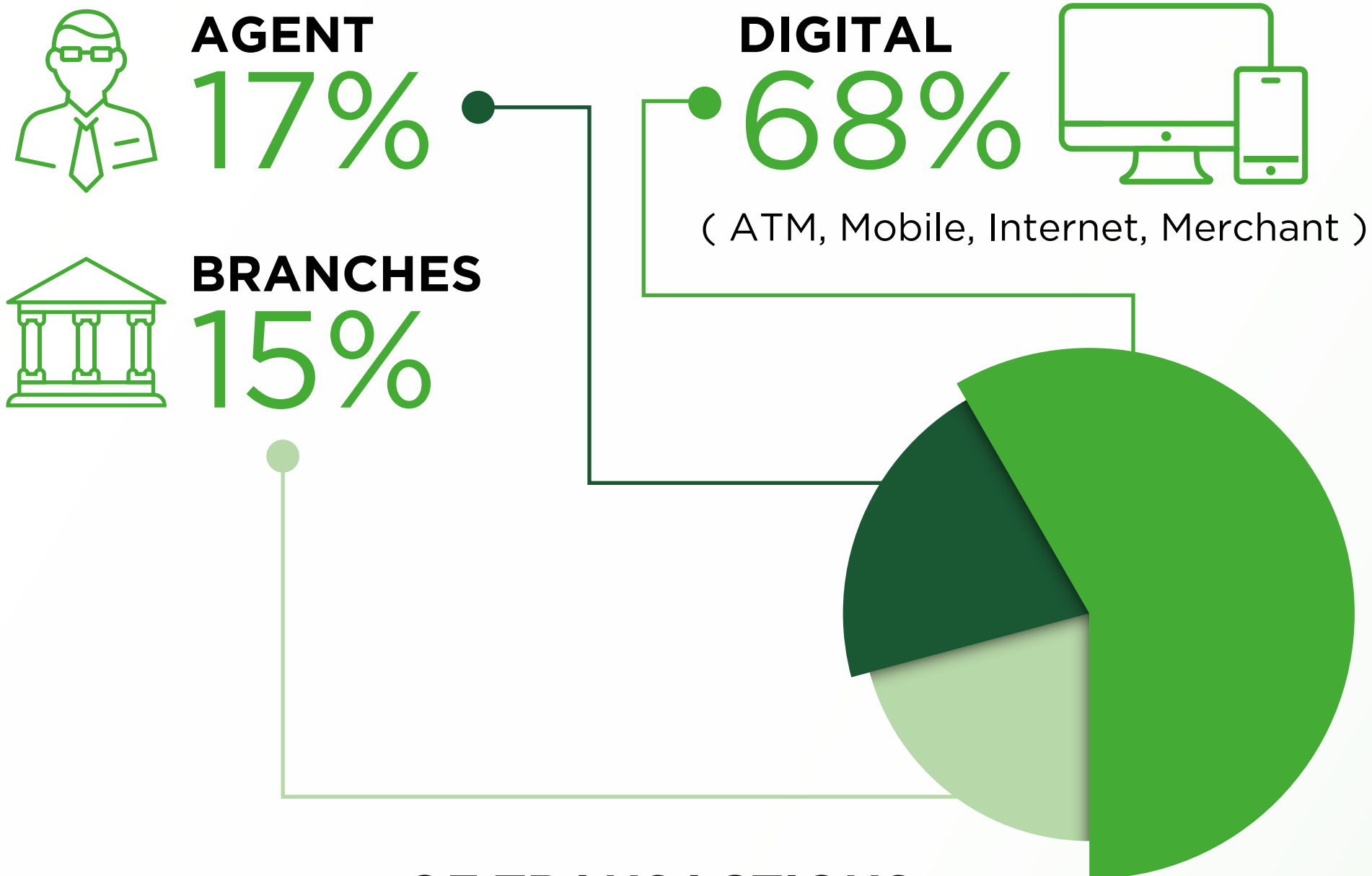


Industrialization

Financed country industrialization initiatives by **TZS 220 Billion**

IMPROVED OPERATIONS EFFICIENCY

Channel distribution in %



STAFF RATIONALIZATION

Moved staff from back office to front office to increase sales & service



MOVED BACK OFFICE

Centralized and automated branch back office activities



BRANCH TRANSFORMATION

Adopt cost to serve model and optimize resource and efficiency

IMPROVED CREDIT MANAGEMENT



Strengthened credit processes and governance structure



Automation of loan collection processes and usage of Call Centre



Modernized Credit processes
Use of Early Warning Signs (EWS) engine
Use of predictive default data analytics



Portfolio diversification
Grew Retail portfolio to reduce corporate exposure
Syndication



Successfully implemented - automated IFRS 9



INNOVATING THE NEW BANKING EXPERIENCE

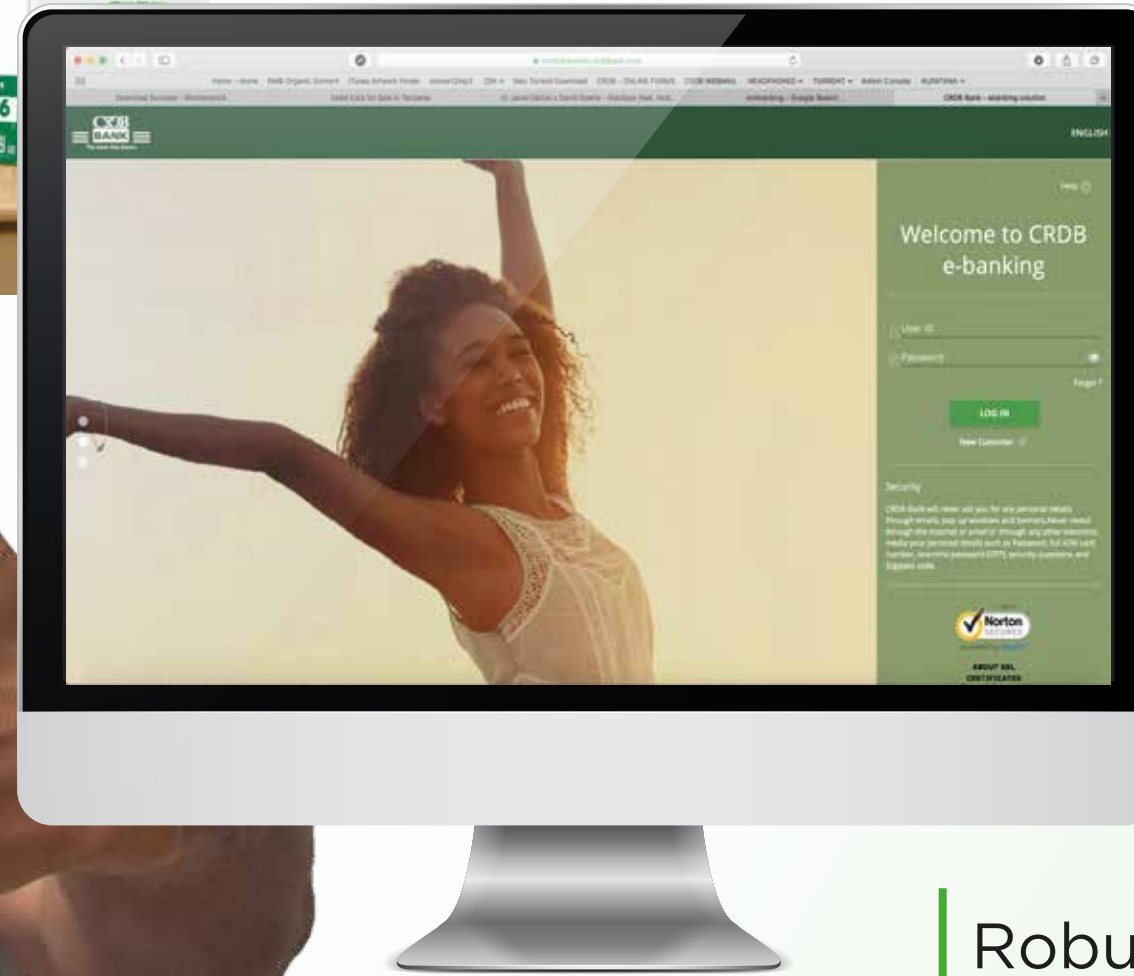
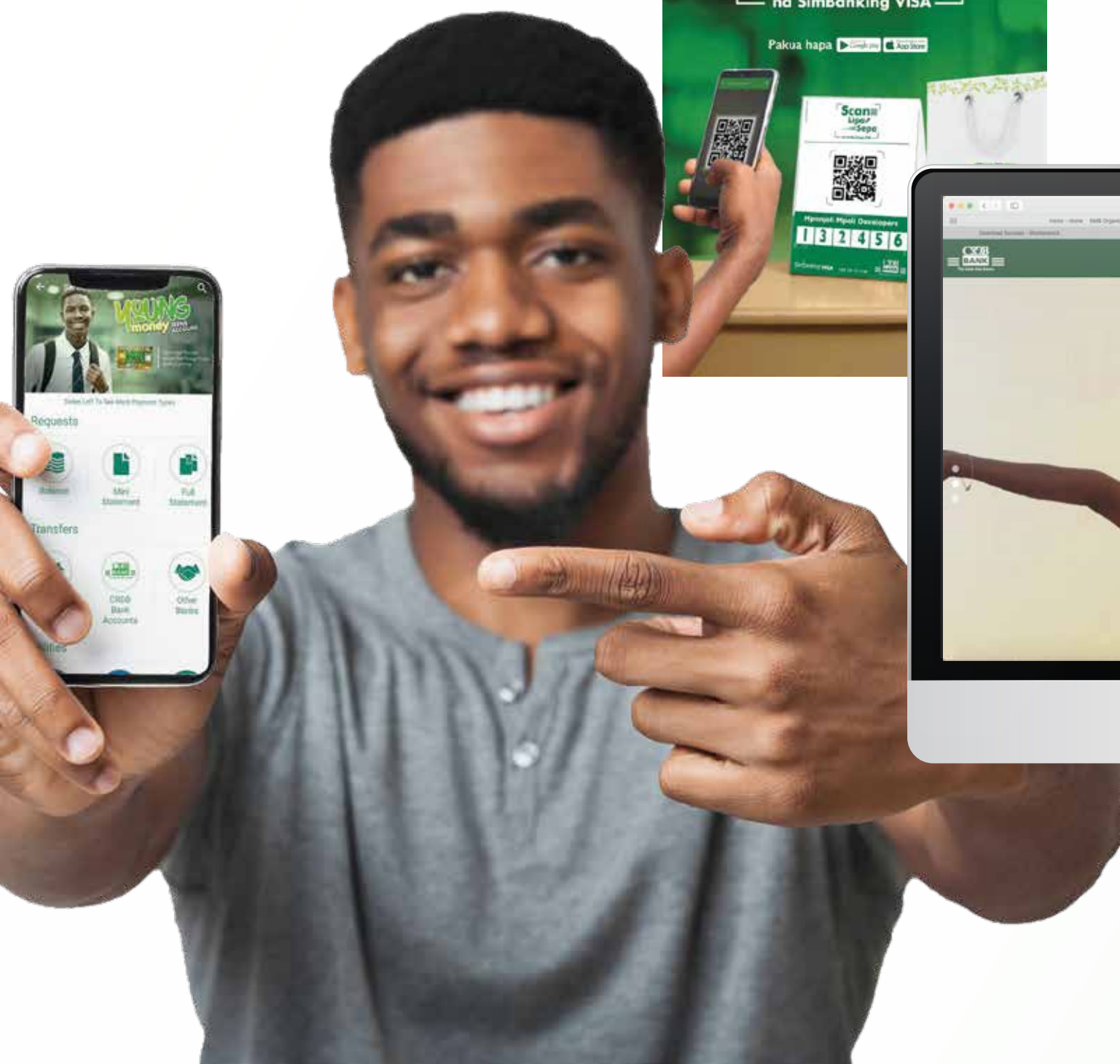
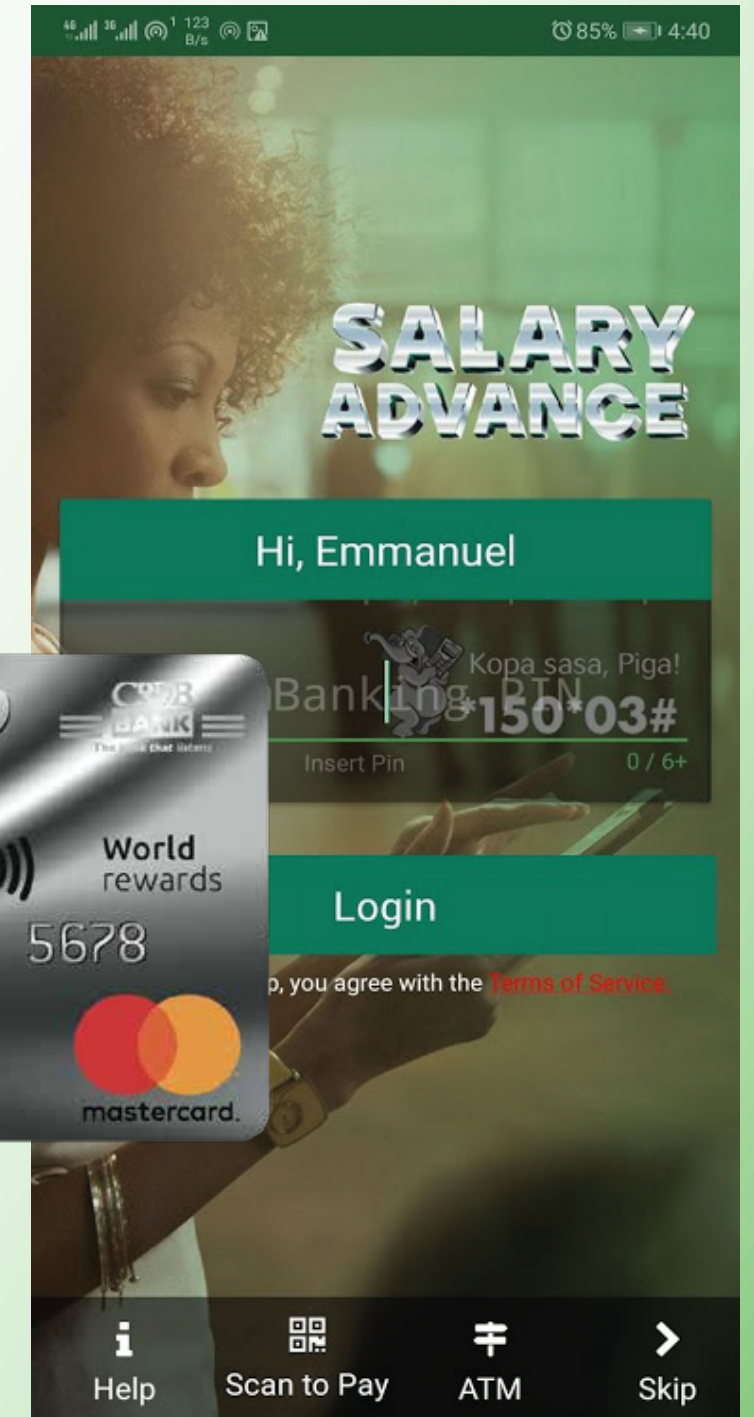
Full-fledged
Mobile App



QR Code
Payments

GePG

Integrate on
Government
payment system



Robust Internet
Banking

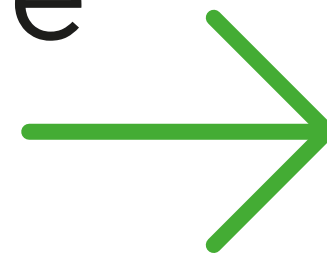




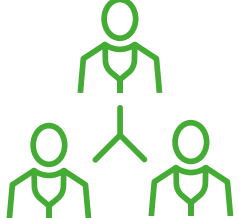

High value
Credit Card

Fast Account
Opening (FAO)

ADDING VALUE TO OUR STAKEHOLDERS

2018 Generated
TZS **351**
Billion value
and distributed



	2017	2018
 Employees	44%	45%
 Taxes to Government	27%	30%
 Shareholders Dividends	4%	6%
 Shareholder's Investment	24%	19%

SUPPORTING THE COMMUNITY

The bank has spent over **1% of PAT** to support community in the areas of :

- Humanitarian assistance
- Education
- Financial Literacy
- Health
- Sports
- Environment



ACCOLADES AND RECOGNITION: LOCAL & INTERNATIONAL

Over the years, the Bank has consistently been a leader and innovator of value-adding customer centric products to cater the respective needs of the market.



- 1st in Tanzania rated by Moody's Investors Services
- Rated "B1 stable outlook" by Moody's - The highest rating to have been acquired by banks in sub-Saharan Africa.
- Selected as partner by International Financial Corporation (IFC), KfW-DEG, Germany, CDC-UK and African Development Bank

FINANCIAL PERFORMANCE



BALANCE SHEET

Amount in TZS Bln

Strong Balance Sheet

Total Asset TZS 6 Trn

Total deposits at TZS 4.3 Trn

Increase in Shareholder's Funds

Strong Deposit Base, growth on cheap deposits

FDR-CASA ratio at 13% from 17% in 2017

Group Balance Sheet	Dec-18	Dec-17	% Change	Mar-19	Mar-18	% Change
ASSETS						
Net Loans	3,127	2,894	8%	3,160	2,839	11%
Cash & Balance with Banks	1,047	1,412	-26%	847	1,569	-46%
Government Securities	1,238	1,105	12%	1,275	1,090	17%
Total Assets	6,035	5,902	2%	5,933	6,011	-1%
FUNDING						
Deposits	4,687	4,326	8%	4,321	4,368	-2%
Borrowed Funds	459	565	-19%	632	674	-6%
Shareholder's Funds	774	733	6%	791	770	3%

INCOME STATEMENT

Amount in TZS Bln

Improved Profitability

27% Strong top line growth

25% Growth in Total income

13% growth in operating Expense

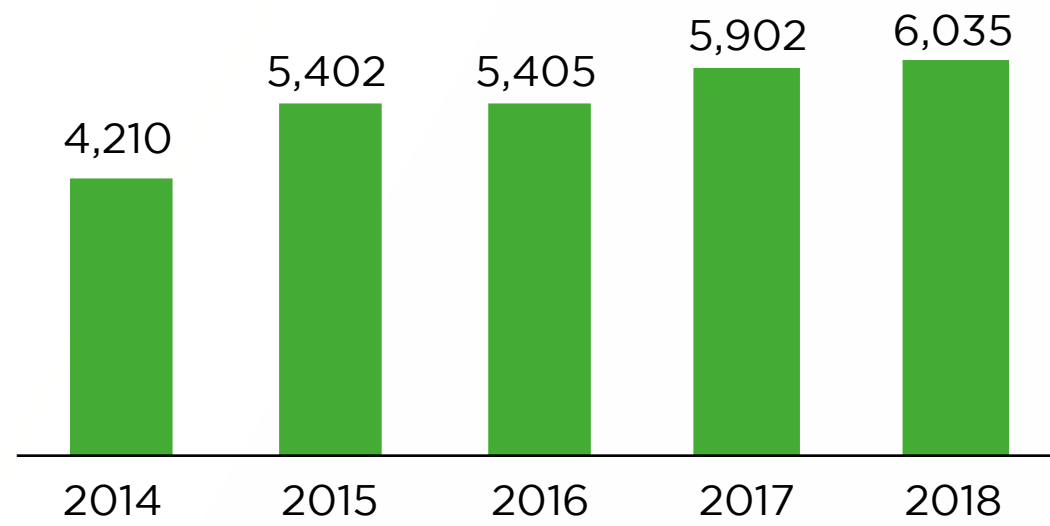
17% down on loan impairment charge

216% Increase in Profit after Tax

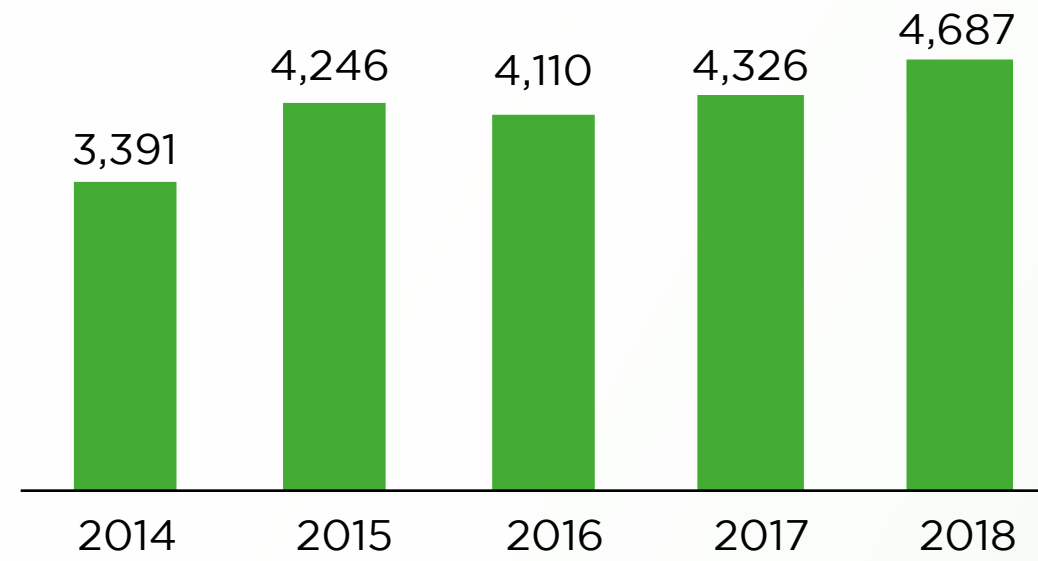
Group Income Statement	Dec- 18	Dec- 17	% Change	Mar-19	Mar-18	% Change
Interest Income	586	560	5%	152	138	11%
Interest Expenses	(143)	(151)	-5%	(29)	(41)	-29%
Net Interest Income	443	410	8%	123	96	27%
Non Interest Income	200	197	2%	60	51	19%
Total Income	643	607	6%	183	147	25%
Operating Expenses	(429)	(399)	7%	(113)	(100)	13%
Result before allowances	214	207	3%	69	47	48%
Loan Impairment charges	(115)	(153)	-25%	(26)	(31)	-17%
Net Profit after Tax	64	36	77%	31	10	216%

5 YEAR PERFORMANCE TREND

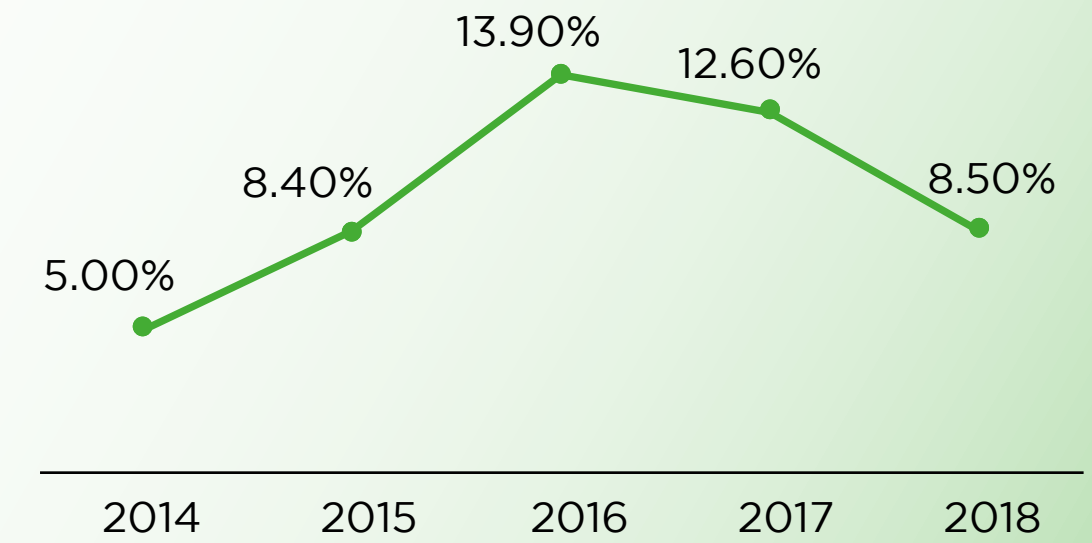
Total Assets



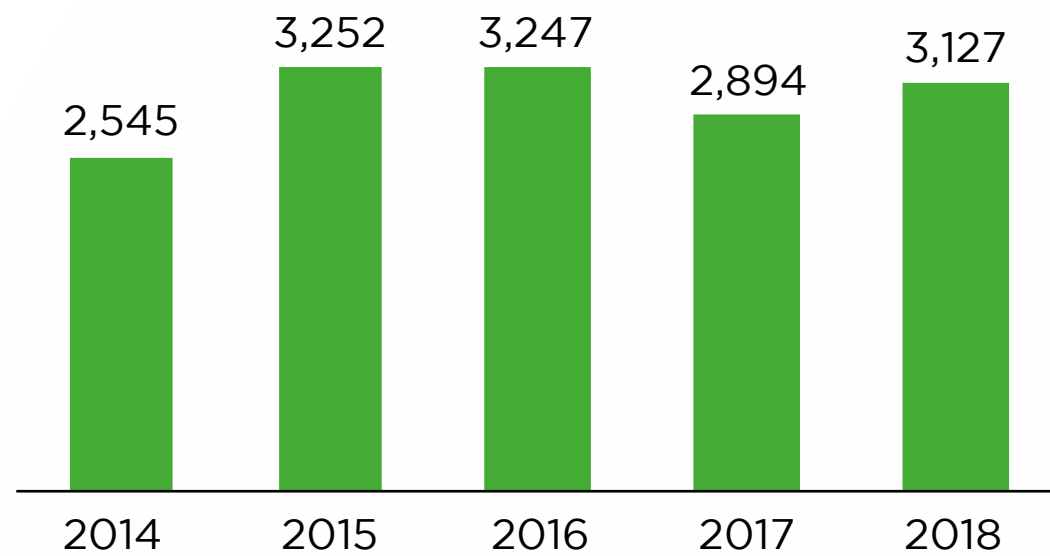
Total Deposits



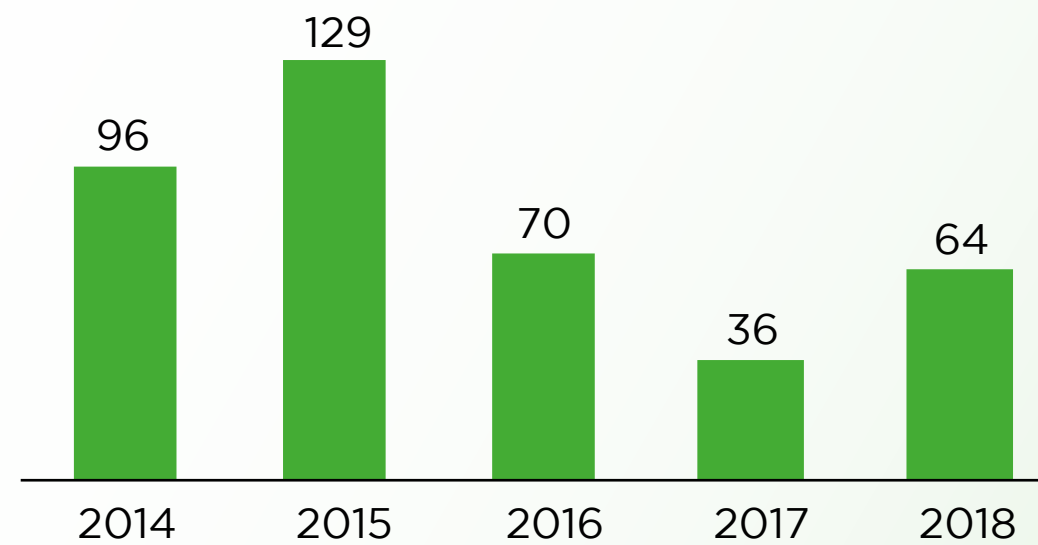
No Performing Loan



Total Loans & Advances



Profit After Tax



- Notable 2018 performance
- Strong Balance sheet growth
- Improved asset quality
- Improved profitability

OTHER KEY FINANCIAL HIGHLIGHTS

Key Performance Ratio	Mar-19	Mar-18
Return on Equity	16%	5%
Cost to Income	62%	68%
Gross NPL/Gross Loans	8.8%	12.7%
NPL Coverage Ratio	69%	61%
Cost of Funds	2%	3%
Net Interest Margin	11%	9%
Yield on Investments	13%	13%
Return on Asset	3%	1%
Tier 1 Capital	15%	14%
Total Capital	16%	17%

Investors Returns

	Mar-19	Mar-18
Earning Per Share (EPS - TZS)	47	15
Price Earning Ratio (P/E)	3	11
Book Value (BV)	303	295
Price Book Value ratio (P/B)	0.4	0.6
Market Capitalisation (TZS Bn)	327	444

15.7%

Improved Return on Equity

2.9%

Improved Return on Asset

8.8%

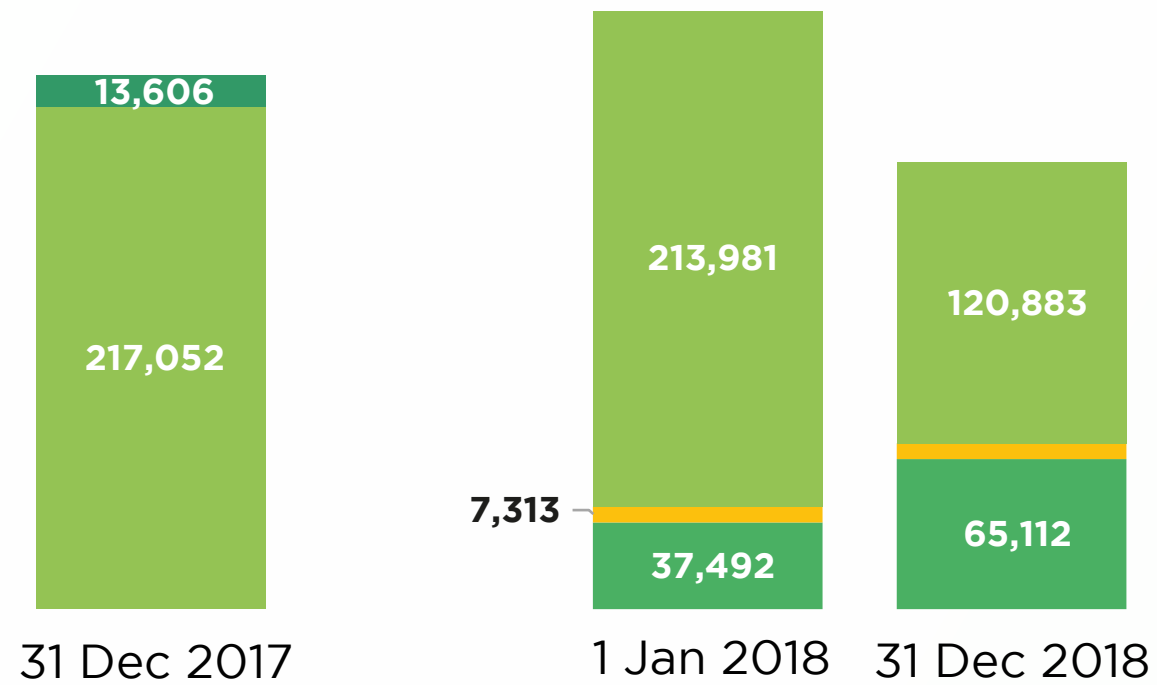
Improved Asset quality

69.4%

Improved Coverage ratio

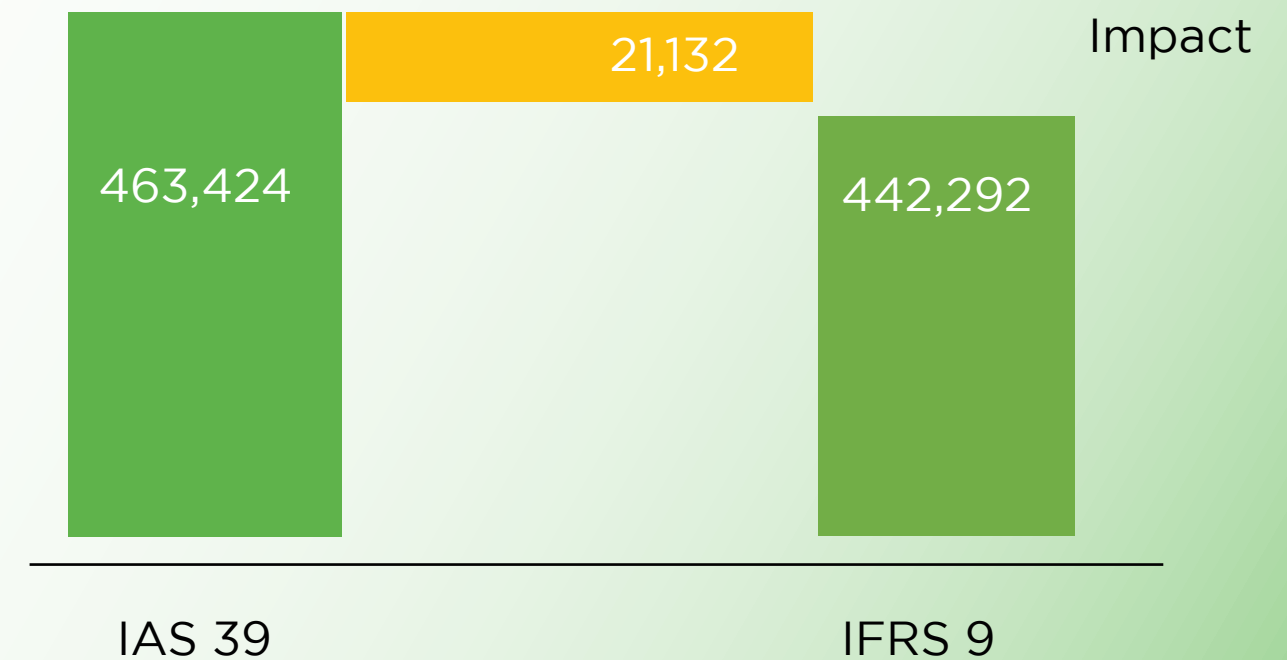
IFRS 9 implementation has Reduce Retained Earnings

Impact on Provision



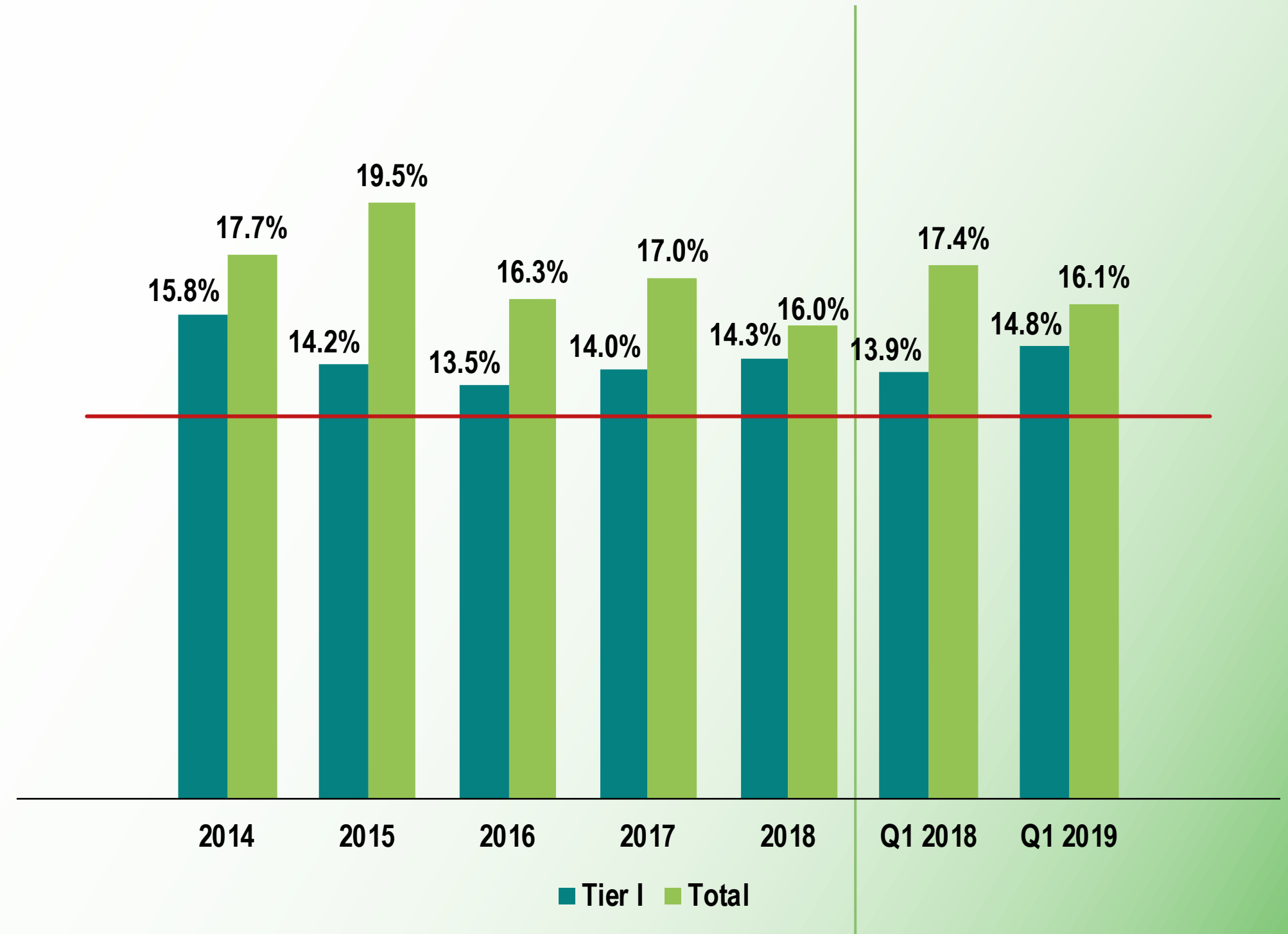
IAS 39	IFRS 9
<ul style="list-style-type: none"> General provision Specific provision 	<ul style="list-style-type: none"> Stage 1 Stage 2 Stage 3

Impact on Shareholder's Equity (Retained Earnings)



Capital Management and Sustainability

Despite of decreased CAR due to implementation of operational risk charge the Bank Capital remained Strong



2019 - OUTLOOK



2019 - Outlook

Loan Growth	10% - 15%
Deposit Growth	10% - 14%
Net Interest Margin	9% - 10%
Non Funded Income Mix	35% - 40%
Cost to Income Ratio	55% - 60%
Return on Equity	16% - 18%
Return on Asset	2.5% - 3.0%
Cost of Risk	2.5% - 3.4%
NPL	5.0% - 7.0%
Subsidiary Contribution (Asset)	2.3% - 3.0%
Subsidiary Contribution (PBT)	3.2% - 4.0%

STRATEGIC DIRECTION



BUSINESS GENERATION



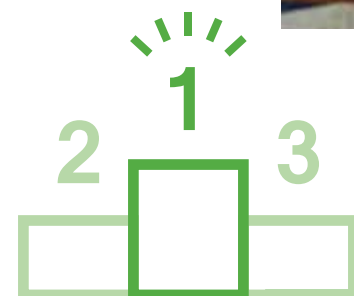
Economic Infrastructure

Focus on value chain from country key economic projects



Transactional Business

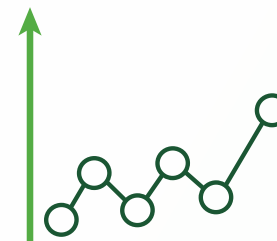
Accelerate Transactional Business to drive deposits mobilization



Win War for Deposits

Financial Inclusion

Accelerate Agency Business growth



Portfolio Growth



Focus on **SME** through country Industrialization drive



Focus on **Agribusiness Value chain** Financing

- **Collaboration** with International Institution to finance mega projects
- **Syndication**

DRIVE EFFICIENCY



Agency Banking

- Rapid Growth of agents
- Grow customer base through agent network
- Support agents to improve liquidity
- Optimize Agent network to drive cashless banking transactions
- Empower Agent to handle more financial services



Business Realignment

- Redefine Branch Operating Model
- Channel Optimization
- Process reengineering and Automation
- Robust Performance Management System
- End to end Relationship Management



Credit Management

- Process simplification
- Capacity Building
- Robust scoring tools



TECHNOLOGY

Upgrade infrastructure to enhance processing capacity

Implement Tier 3 Data Centre to improve high availability

Build analytical capability to drive insights, integrity, decisions and predictions

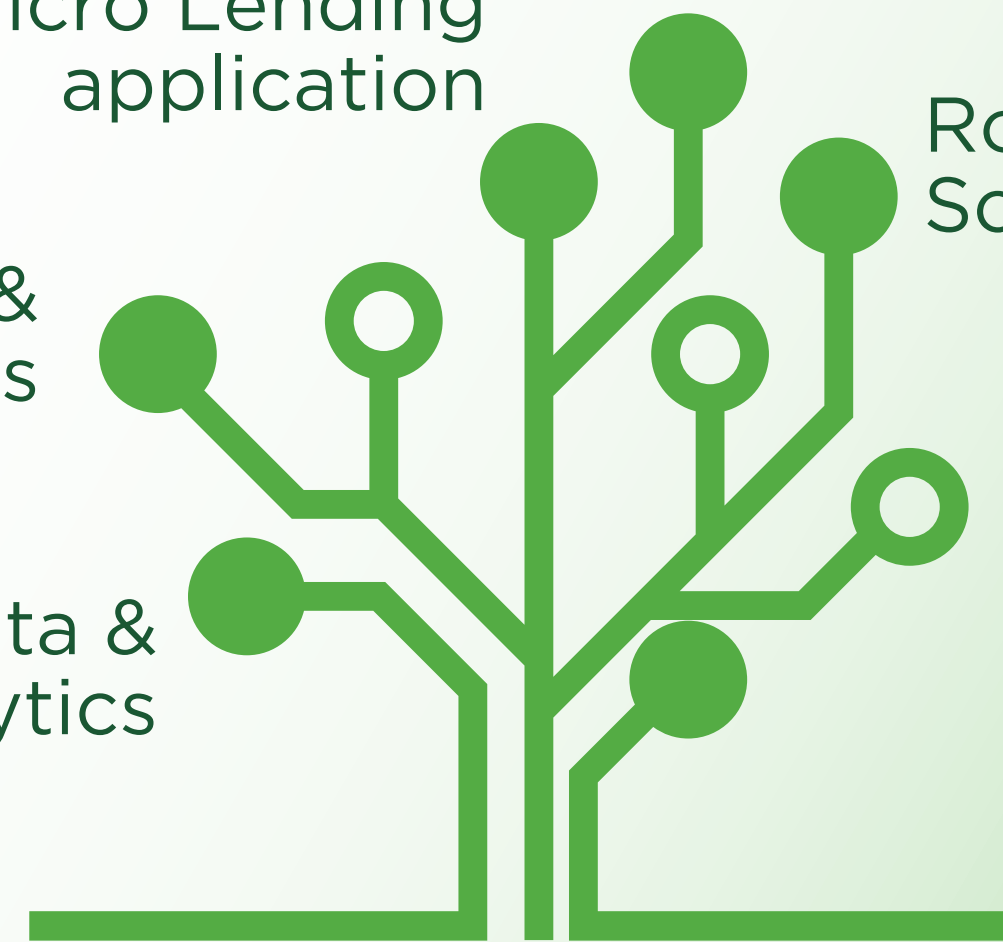
Micro Lending application

E-Ticketing

Robust Scoring tools

Platform & Ecosystems

Big Data & Analytics



INNOVATION

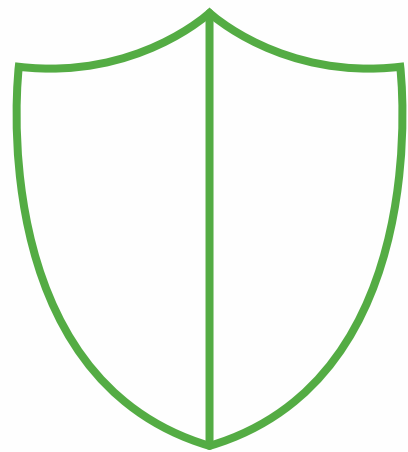
Adopt agility

Innovate new business models to capture new opportunities

Digitize the current business to provide convenient and seamless experience.

RISK MANAGEMENT AND GOVERNANCE

“ MAINTAIN PRUDENT RISK AND COMPLIANCE STANDARD ”



Improve compliance discipline as per regulatory standards



Create disciplinary frameworks to reinforce governance



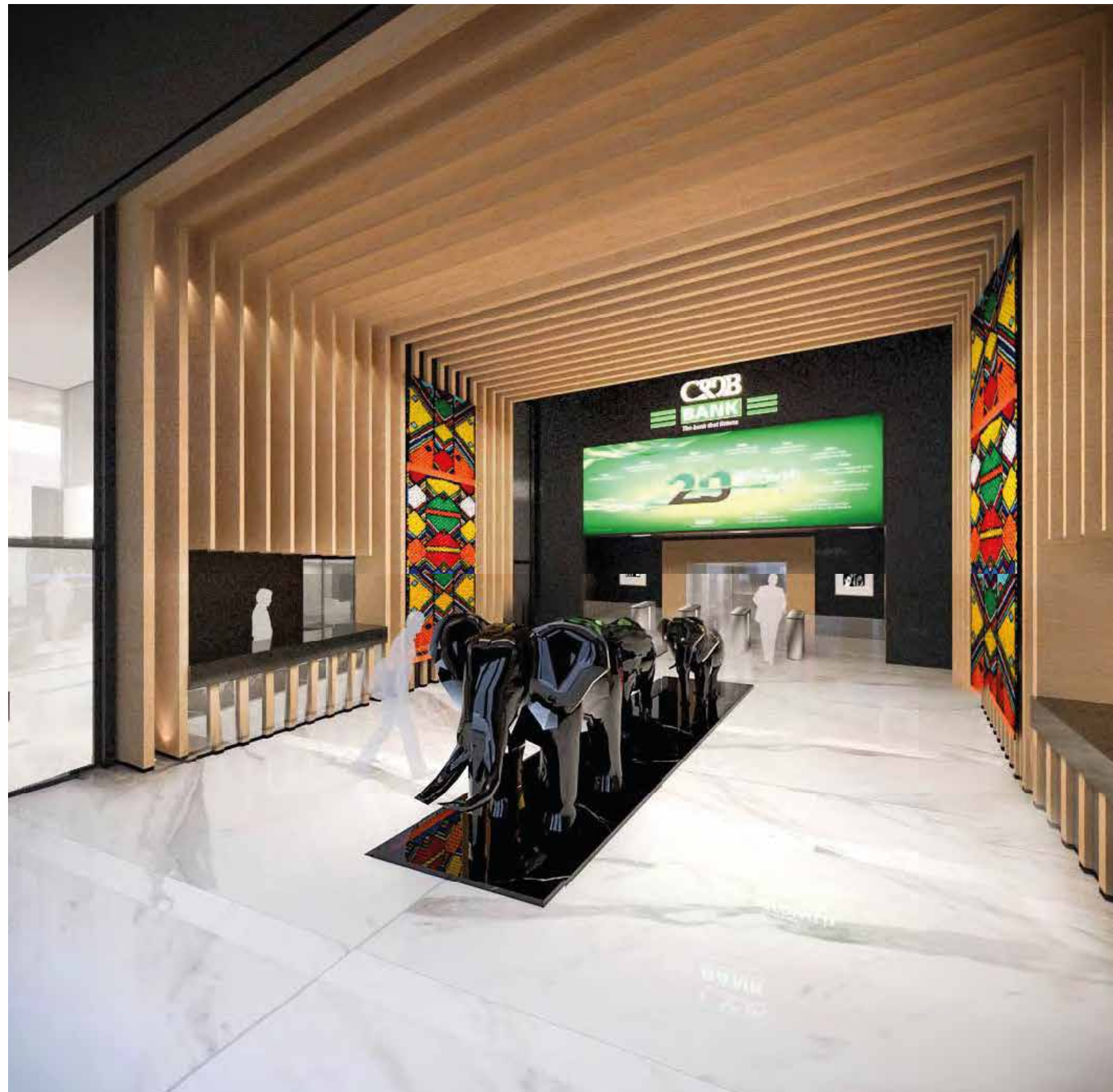
Enhance ICT governance and operational resilience to combat cyber frauds and Recovery



ADVOCATING GENDER DIVERSITY

- Committed to developing the most diverse mix of talent by gender, ethnicity, culture, disability, religion, etc.
- Adding value to the business through work life balance programs.
- Building on gender equality with equal voice and representation.
- Create an environment which is free from gender bias.
- Drive programs on women empowerment.

OUR NEW HEAD OFFICE



An Iconic Landmark Bigger & Superior

New Infrastructure
New Technology
New Working Environment



A photograph of four business professionals in a meeting. Two men are shaking hands, while a woman and another man look on. The scene is set in a bright, modern office environment. A semi-transparent green banner is overlaid on the center of the image, containing the text 'We look forward to doing Business with you...'.

We look forward to
doing Business with you...

Thank You

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