

# 1Q24 Investor Briefing

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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.

- 1. Overview**
- 2. Operating Environment**
- 3. Financial Performance**
- 4. Outlook**

# Operating Environment

- Inflation remained low and stable, averaging **3%** in the first quarter of 2024. However, with lingering inflation due to global developments, BOT increased its Central Bank Rate from **5.5%** to **6%** to remain in line with the country's inflation target of not more than 5%.
- The **foreign exchange market** experienced a notable increase in demand for the US dollar during the first quarter of 2024. The TZS depreciated by **1.8%** in the quarter ending March 2024 compared to **1.6%** in the preceding quarter. BOT has continued to alleviate foreign currency supply constraints to stabilize the exchange rate by **selling US dollars** to the market.
- The outlook for economic performance remains favourable due to a conducive business environment and a resilient economy that can withstand global shocks, as reflected by **Moody's** recent **sovereign rating upgrade** to **B1** from **B2** with **a stable outlook**. Nevertheless, the **downside risks** remain to be FX volatility and foreign currency liquidity

- In March 2024, **the extended broad money supply (M3) grew by 13.8%**, slightly lower than 15.9% recorded in the same period in the previous year.
- Private sector credit growth remained robust, at 16.6%. The sustained demand for loans indicates **ongoing expansion in economic activities** driven by favourable business conditions and supportive policies.
- Credit to **agriculture activities** continued to record the fastest growth, at 51.5%, followed by mining and quarrying at 26%. Meanwhile, **personal loans**, which are primarily directed sole owned businesses and small to medium enterprises, continued to dominate the outstanding credit at 38.2%, followed by trade, at 12.9%, and agriculture, at 10.9%.

# Key Milestones

## Ringfence the Business

- **Accelerate Adoption and Usage:** Executed internal incentivized campaigns including **Bima Maokoto, Lipa Hapa solution and Bring it Home (internal loan recovery campaign)** to increase awareness, push new financial solutions uptake, and drive recoveries of charged-off loans.
- **Digital Operations:** Continued to improve service availability through transaction **monitoring dashboard** for ATMs, POS, Simbanking, and Internet banking.
- **Improve Customer Service:** Digitized credit processes for retail lending (**Imbeju and al barakah loans**) and simplified internet banking process (**self-password reset**).

## Grow the Business

- **New CVPs:** Launched inclusive financial solutions to reach underserved segments e.g., sharia compliant insurance (**takaful**) and three new medical insurance schemes (**CRDB Afya, Premier, and Senior**).
- **Partnerships Optimization:** Partnered with Vodacom to offer asset financing (**smartphones**), sponsored CRDB Bank Federation Cup to improve our **brand** and partnered with TBL and SUGECO to enable **the agriculture value chain**.
- **Enhanced Current Offerings:** Launched **TANQR** to capture **interoperability opportunities** and increased transaction limit on simbanking to **deepen usage** of digital channels.

Classification: CRDB Internal

## Futureproof the Business

- **Sustainability:** Continued to build strong pipeline potential for **TACATDP and green bond utilisation**. Also acquired green building certification reflecting our efforts in reducing our **carbon footprint**.
- **Workforce Capability:** Continued to build critical competences to our staff (**launched public speaking program**) and elevated **talent management** and **succession plan** to optimise talent and build pull of future ready leaders.
- **Risk and Compliance:** Initiated automation of the **Enterprise risk management (ERM)** to proactively and effectively manage risks and facilitated **targeted learning** across the bank to elevate awareness of risk tools and developments.

# Key Performance Highlights

PROFIT AFTER TAX

TZS Bn  
**128**



TOTAL ASSETS

TZS Bn  
**13,966**



NET LOANS

TZS Bn  
**8,858**

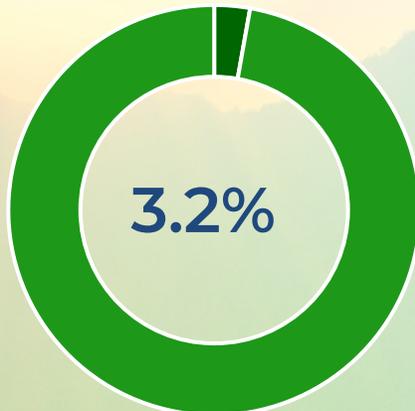


CUSTOMER DEPOSITS

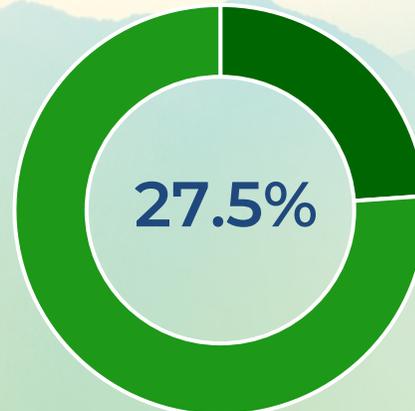
TZS Bn  
**9,372**



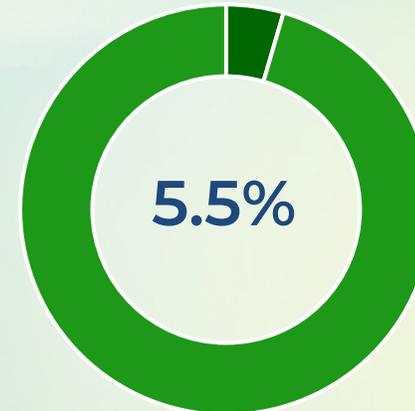
NPL



ROE



ROA



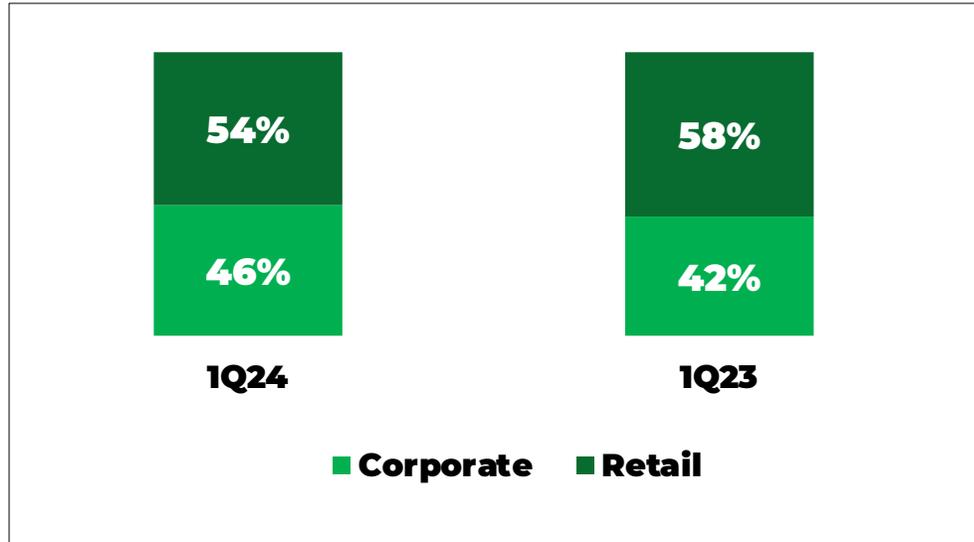
# Strong Balance Sheet Growth



TZS Billions	1Q24	1Q23	% Growth
Total Loans & Advances	8,858	7,194	23 %
Total Assets	13,966	11,991	16 %
Customer Deposits	9,372	8,244	14 %
Borrowers Funds	2,147	1,902	13 %
Shareholders Fund	1,908	1,538	24 %

- The balance sheet grew by 16% YoY.
- Net Loans and Advances YoY grew by 23% driven by an increase in corporate loans by 46%, personal loans by 35%, and SME loans by 12%.
- The loans were funded by YoY growth in both Customer Deposits and Borrowings

# Loan Portfolio Split



Split per Sector	1Q2024	1Q2023
Personal	39%	43%
Trade	18%	15%
Agriculture	15%	12%
Manufacturing	6%	6%
Building and Construction	4%	4%
Others	18%	20%

- Corporate loans' contribution to the total loan portfolio increased to 46% from 43% recorded in the same period in 2023.
- The composition of forex loans in 2024 is 25% in USD and 75% in local currency, compared to 2023 where it was 30% in USD and 70% in local currency.
- Loans from the personal, trade and agriculture sectors continue to form a majority of the Group's loan portfolio.

## NPL Split per Segment



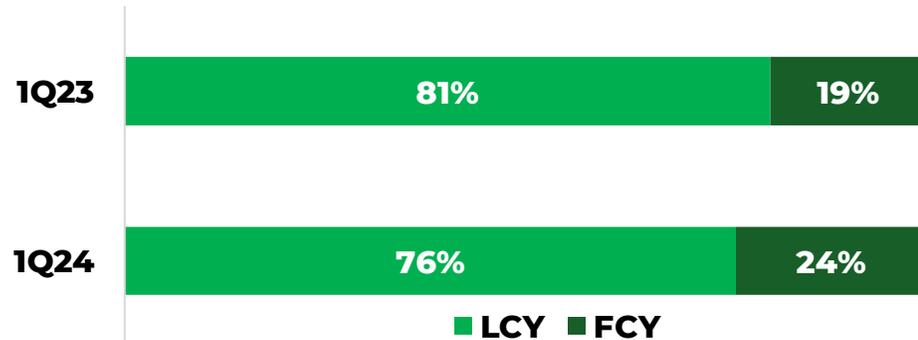
## Top Five Contributing Sectors

	1Q24	1Q23
Agriculture	34%	20%
Personal	14%	16%
Real Estate	13,5%	20%
Trade	11%	14%
Tourism	10.6%	1%

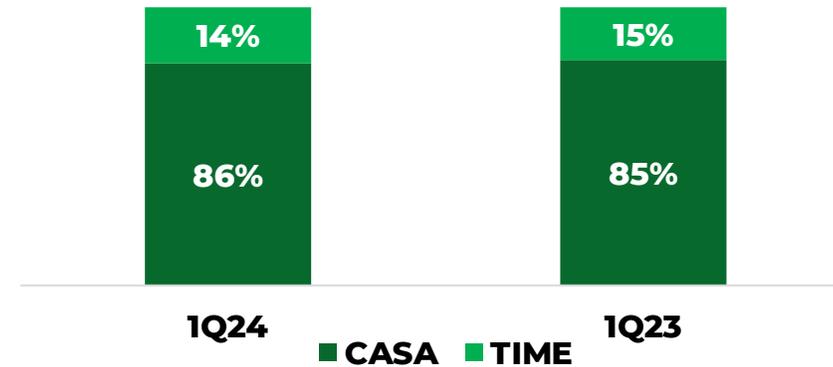
- The Group's NPL ratio has increased to 3.2% in 1Q24 compared to 2.8% recorded in 1Q23.
- Corporate loans continue to form most of the non-performing loans.
- Key contributing sectors are Agriculture, Personal Loans, Real Estate, Trade, and Tourism.
- The NPL coverage is 37% with the cost of the risk of 1.27%

# Deposit Mix

## By Currency



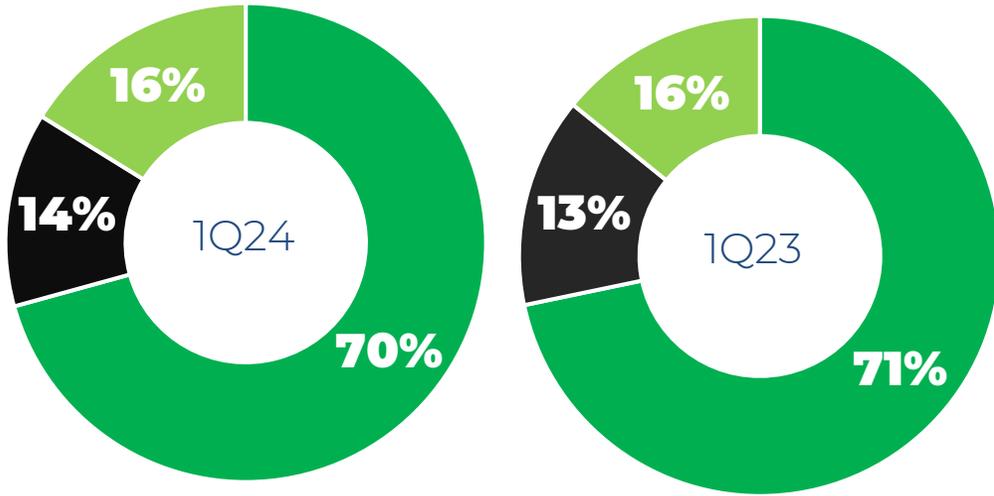
## CASA Mix



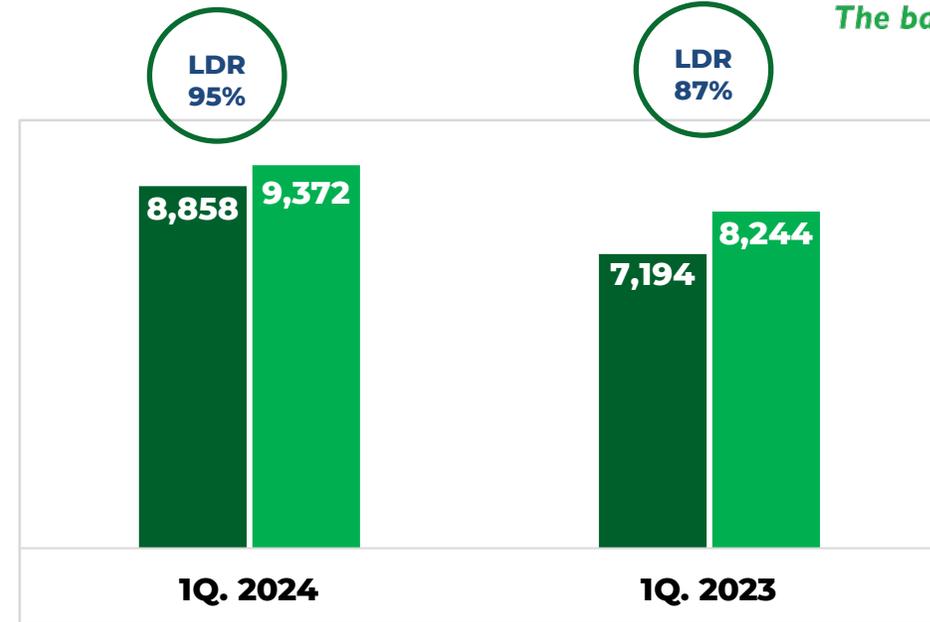
- The deposit growth achieved in the first quarter of the year resulted from an increase in both local currency and forex time deposits.

- As a result, the current and savings (CASA) composition increased to 86% in 1Q24, from 85% in the same period in the previous year.

# Funding and Liquidity



- Shareholders' funds
- Borrowings
- Deposits



- Loans
- Deposits

- Deposits continue to comprise the greatest proportion of the funding mix.
- The Group closed the first quarter of the year with a liquidity ratio of 26%, well above the regulatory requirement ratio of 20% and the internal limit target of 25%.

# Income Statement

TZS Billions	1Q24	1Q23	% Growth
Interest Income	344,008	267,898	28%
Interest Expenses	(91,664)	(75,484)	21%
Net interest income	252,344	192,415	31%
Non - Funded Income	129,351	106,483	21%
Operating Expense	175,865	144,744	22%
Loan Impairment charges	(18,087)	(21,359)	(15%)
Profit After Tax	127,503	90,219	41%

- Net Interest Income grew by 31% YoY to TZS 252,344 bn.
- Non-Funded Income grew by 21% YoY, driven by forex income and growth in fees and commission.
- PAT grew by 41% to TZS.128bn from TZS 90bn.

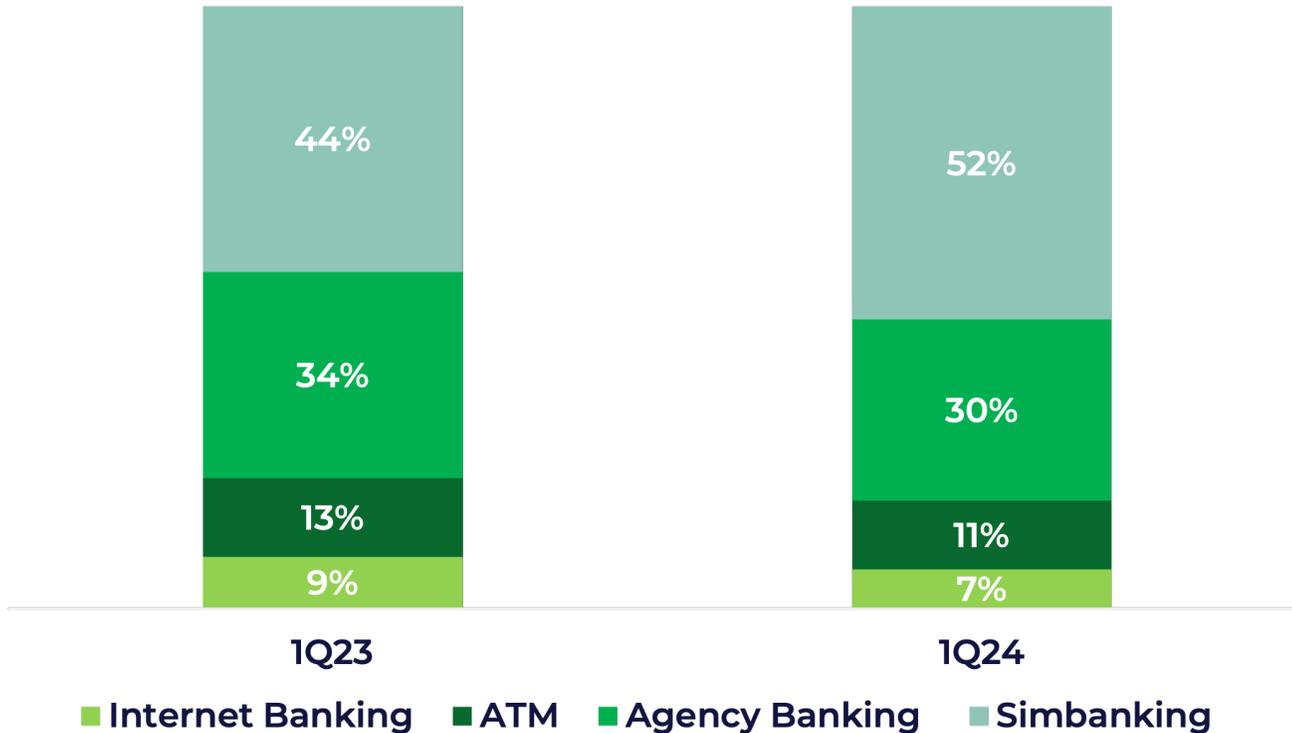
# NFI Split

TZS Billions	1Q24	1Q23	% Growth
Forex Income	23,539	17,272	36%
Fees and Commission	98,646	82,908	19%
Other Operating Income	7,167	6,303	14%

- In the quarter, NIMs increased to 8.6% from 8.3% in 4Q23, and 7.6% in 1Q23 on account of loan repricing.

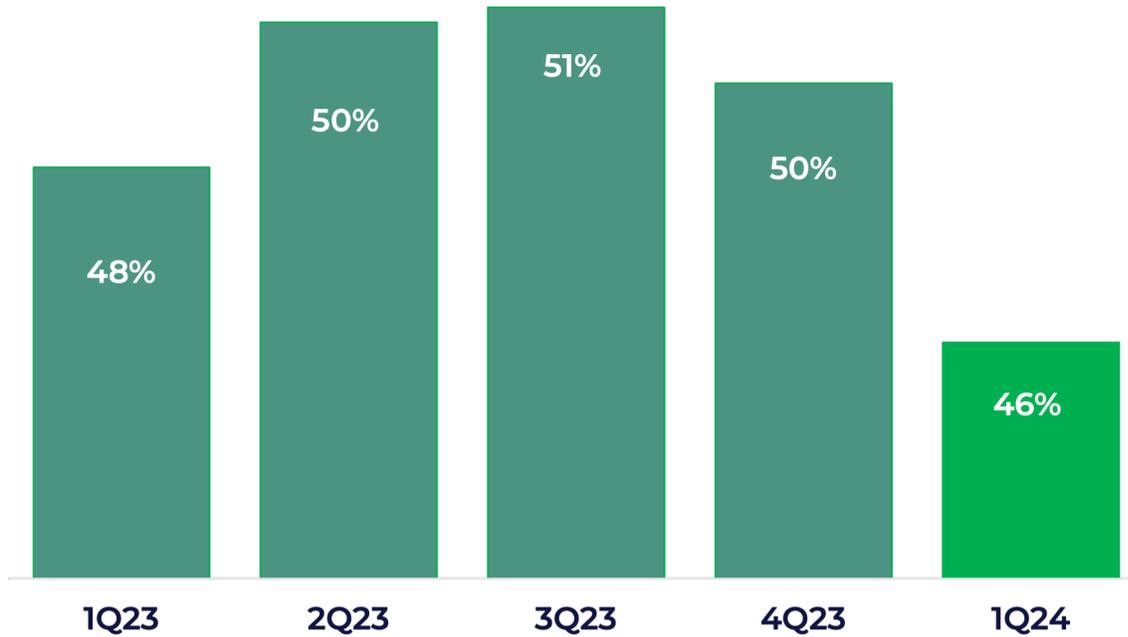
Net Interest Margin	1Q23	2Q23	3Q23	4Q23	1Q24
	7.6%	7.9%	7.8%	8.3%	8.6%

# Income From Alternative Channels



- Sim banking income grew by 64% YOY to TZS 35 billion.
- Agency Banking grew by 22% YOY, driven increased number of WAKALA.
- Internet Banking income grew by 6% YOY.
- Alternative channel's contribution to total Income has increased to 18% compared to 16% in the same period the previous year.

# Cost to Income Ratio



- The cost-to-income ratio (CIR) remains below the regulatory limit of 55%
- Non-interest expenses increased by 21.5% YoY, largely driven by Staff Expenses and Other Operating Expenses, which comprise 52% and 40% of total costs, respectively.
- Other operating expenses comprise office, maintenance, property, and general expenses.

# Subsidiary Contribution (1)

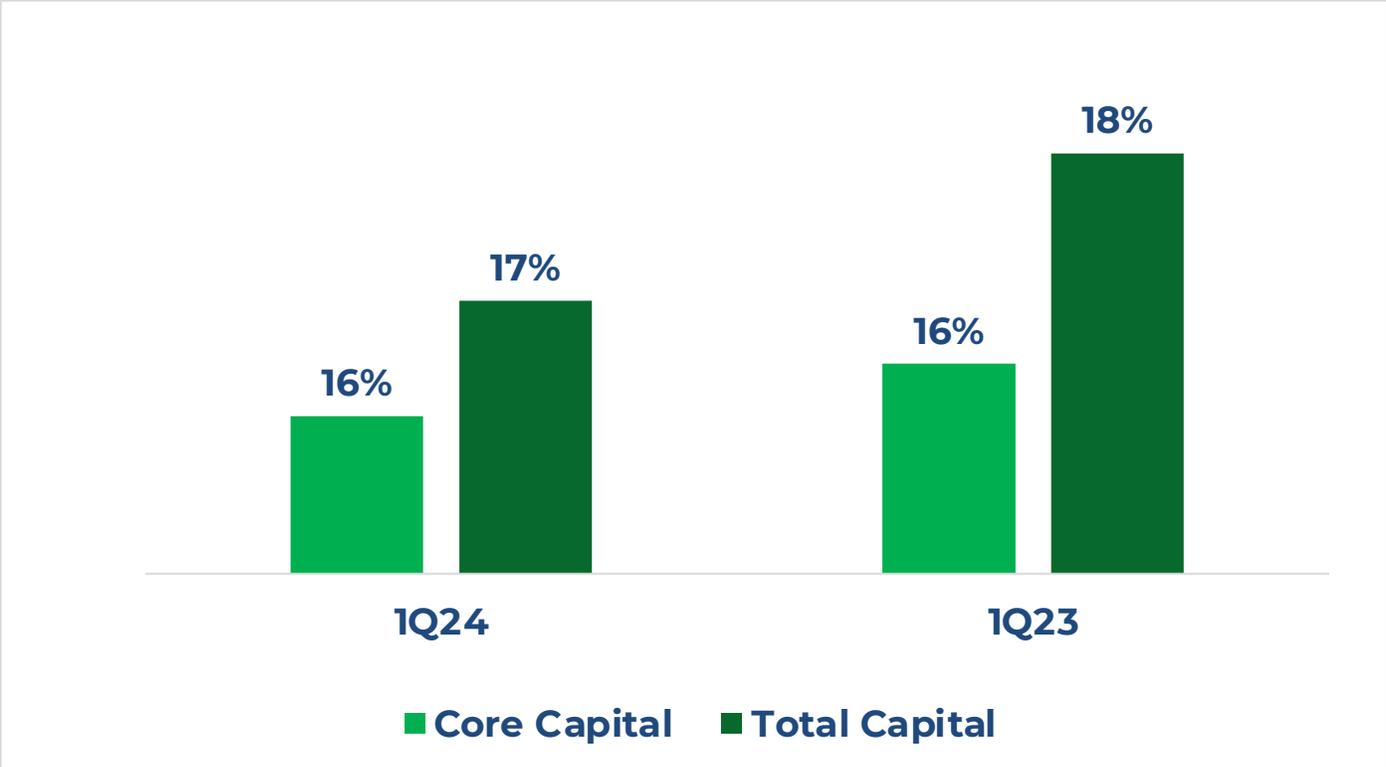
	1Q24	1Q23	% Growth
<b>Burundi</b>			
Total Assets	1,197,966	734,656	63%
Total Deposits	683,227	423,292	61%
Operating Income	10,345	5,994	73%
Net Profit	8,698	4,915	77%
<b>Insurance</b>			
Total Assets	10,874	7023	55%
Net Commission Income	509	-	-
Net Profit	(275 )	(118)	(133% )

- Burundi's PAT grew by 77% YoY to TZS 8.7bn driven by increased interest and non-interest income.
- The subsidiary's contribution to the Group's PAT increased from 6.4% in 1Q23 to 6.9% in 1Q24.
- CRDB Insurance Broker increased the investment Fund by 12% from TZS. 5.9bn (2023) to TZS. 6.9bn (2024).

# Subsidiary Contribution (2)

	1Q24	4Q23	% Growth
<b>Congo</b>			
<b>Total Assets</b>	<b>132,042</b>	124,670	6%
<b>Total Deposits</b>	<b>14,039</b>	2,383	489%
<b>Operating Income</b>	<b>3,004</b>	-	-
<b>Net Profit</b>	<b>(4,287)</b>	-	-

- DRC Congo started operating in the fourth quarter of 2023 and has shown positive NFI growth, driven by increased income from TZ-DRC cross-border transfers, other fund transfers, and over-the-counter (OTC) withdrawal fees.



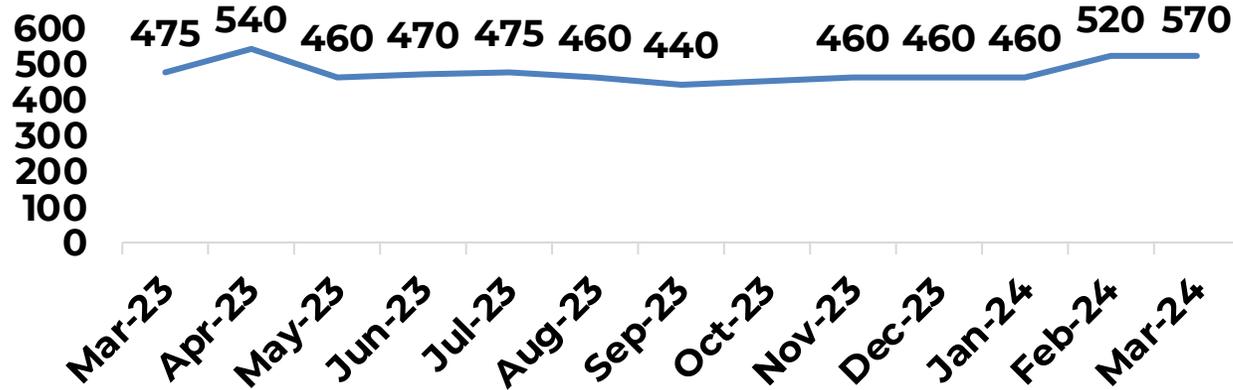
## Regulatory Limits

Core Capital – **12.5%**  
Total Capital – **14.5%**

- The Bank continues to focus on prudent capital management.

# Investment Information

## Share Price Performance



- CRDB Bank's share price continued to show resilience, closing at TZS 570 as of 31 March 2024, a 20% YoY growth, with local investors dominating trading in the period.

## Key Metrics

(TZS)	1Q24	1Q23	YoY Change
Market Cap (Bn)	1,488	1,241	23%
Share Price	570	475	23%
Book Value Per Share	730	589	19%
Earnings per Share	49	35	40%

# Outlook for the Year



	1Q 2024 Actual	2024 Outlook
Loan Growth	23%	13% - 18%
Deposit Growth	14%	16% - 25%
Non-Funded Income Contribution to Total Income	34%	35% - 40%
Cost to Income Ratio	46%	43% - 47%
Return on Equity	27.5%	25% - 30%
Return on Assets	5.5%	4.5% - 6.5%
NPL	3.23%	2.5% - 3.5%



**End**