

Investor Briefing

4Q **23**





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01 Group At Glance



Transforming lives through financial services



Listed on the Dar es Salaam Stock Exchange



Pioneering Climate Financing in Tanzania

Globally Recognized



1st Green Climate Fund (GCF) Accredited Entity in Eastern & Central Africa

Solid Credit Rating: B2, positive outlook

First largest Issuance of Green, social, and sustainability bond in Sub-Saharan Africa

Multi-award Winning

31 Awards in 2023

Affirming CRDB as Best Bank in Tanzania



Regional presence in markets with solid prospects



Driving financial inclusion & social impact through Subsidiaries

Our Unique Strengths

We have a sound financial base and a talented human resource pool to provide financial services to all customers and support the economic transformation of our markets.

OUR FINANCIAL CAPABILITIES

TZS 1.8 Trillion
Total Capital

TZS 13.3 Trillion
Balance Sheet

OUR CUSTOMER BASE



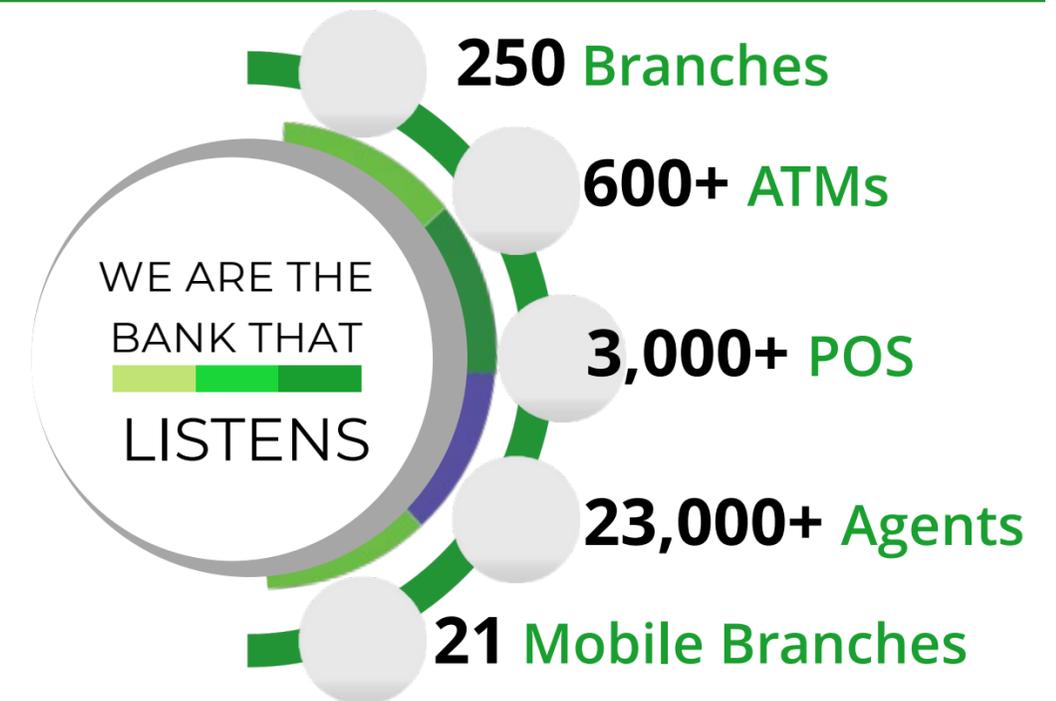
+4.7 Mln
Customers

OUR HUMAN CAPITAL



3,961 Highly Skilled Staff

OUR DELIVERY CHANNELS



Robust
online
banking
platforms

Our Unique Strengths



Accessibility

96%

of transactions happening outside the branches

Coverage in all **169** districts

We Serve over **+5 Mln** people monthly

Channel Transactions %

Wakala (Agents)



44%

Branch



4%

Digital



52%

Our New Brand Foundation



PURPOSE

Improve livelihoods and deliver sustainable Impact



VISION

Transform lives and develop economies to their fullest potential



MISSION

Providing disruptive solutions to unlock social-economic value for our stakeholders

ASPIRATION

To be the undisputed leader in our markets



OUR VALUES



Deliver Impact

Behave Responsibly

Learn Continuously

Achieve Together



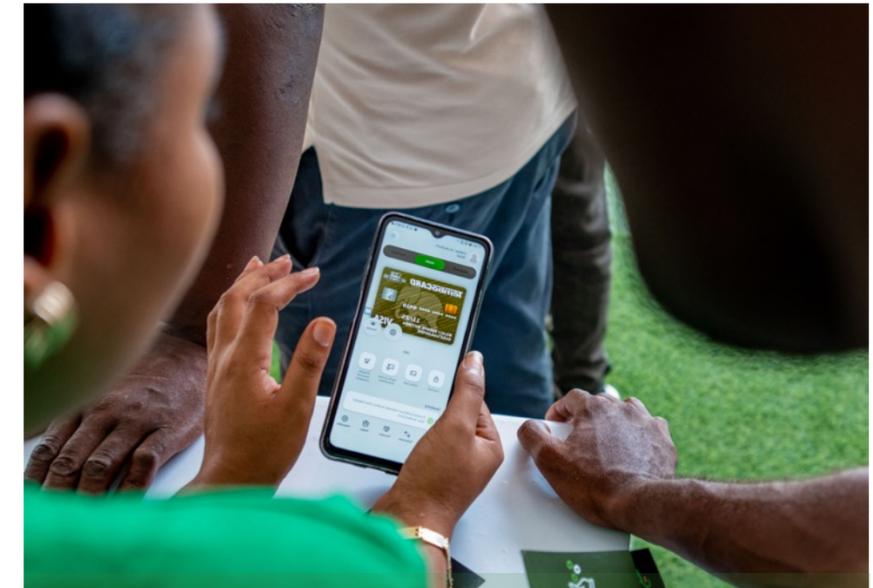
FORTIFY OUR CORE BUSINESS

Ensure the stability and security of our existing operations.



ACCELERATE OUR GROWTH

Expand our business by exploring new opportunities, entering new markets, and offering innovative solutions to our customers.

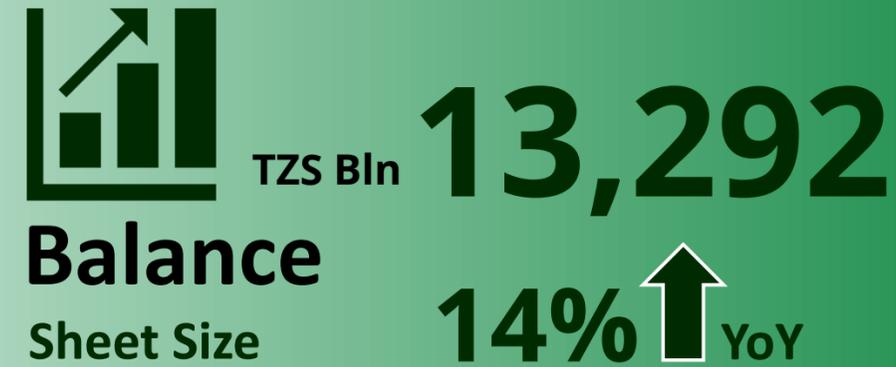
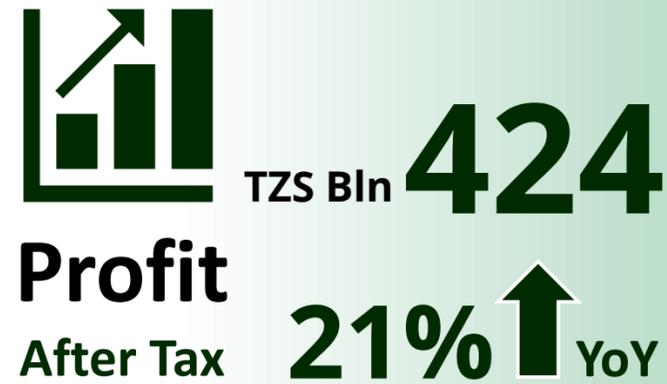


INNOVATE FOR TOMORROW

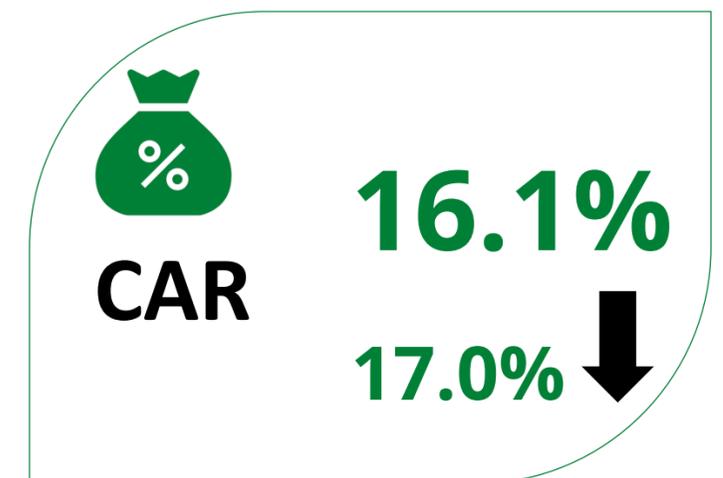
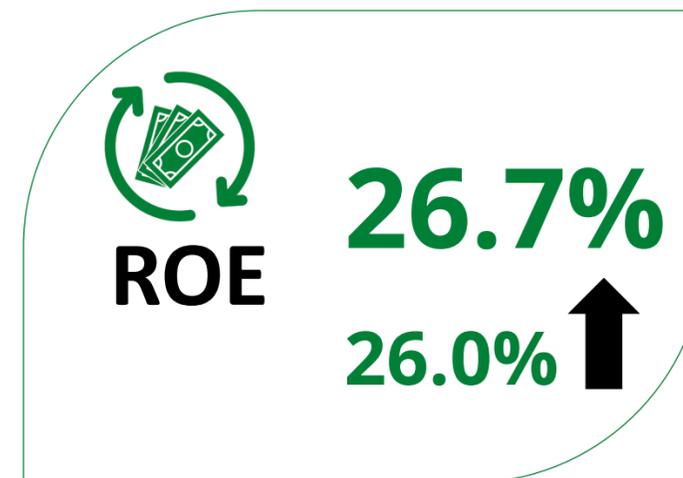
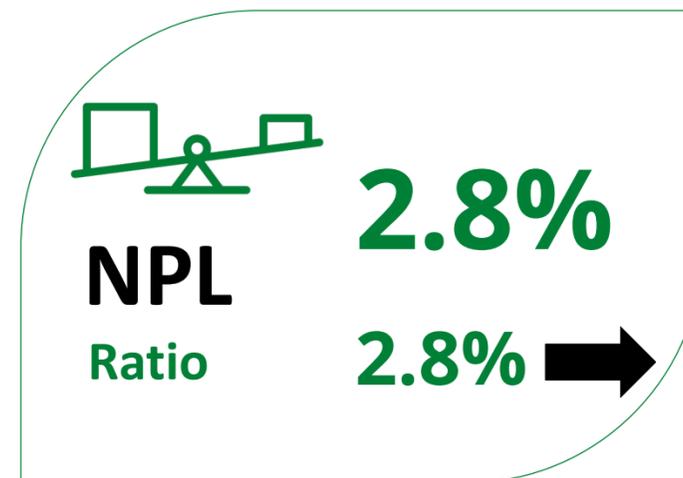
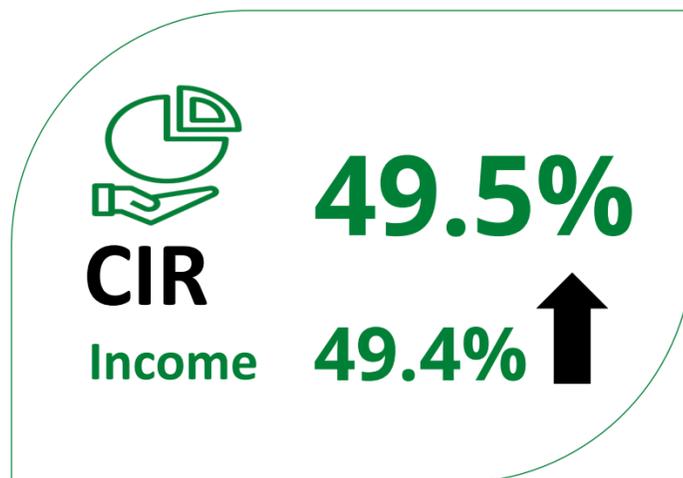
Invest in innovative technologies and implement sustainable practices that ensure the longevity and resilience of our business.

02
Strategy
Review



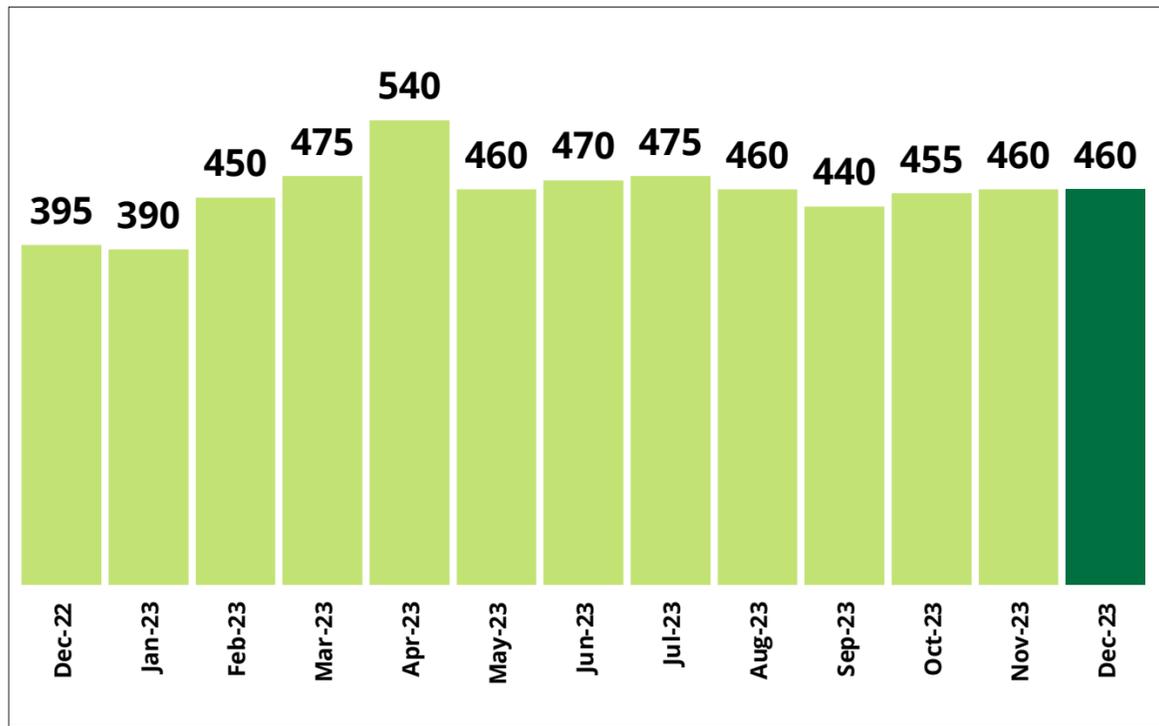


The Group's financial performance has been robust, **demonstrated by a consistent upward trajectory** in our key metrics. This sustained growth reflects our strategic focus on **operational excellence** and **value creation** for all stakeholders.



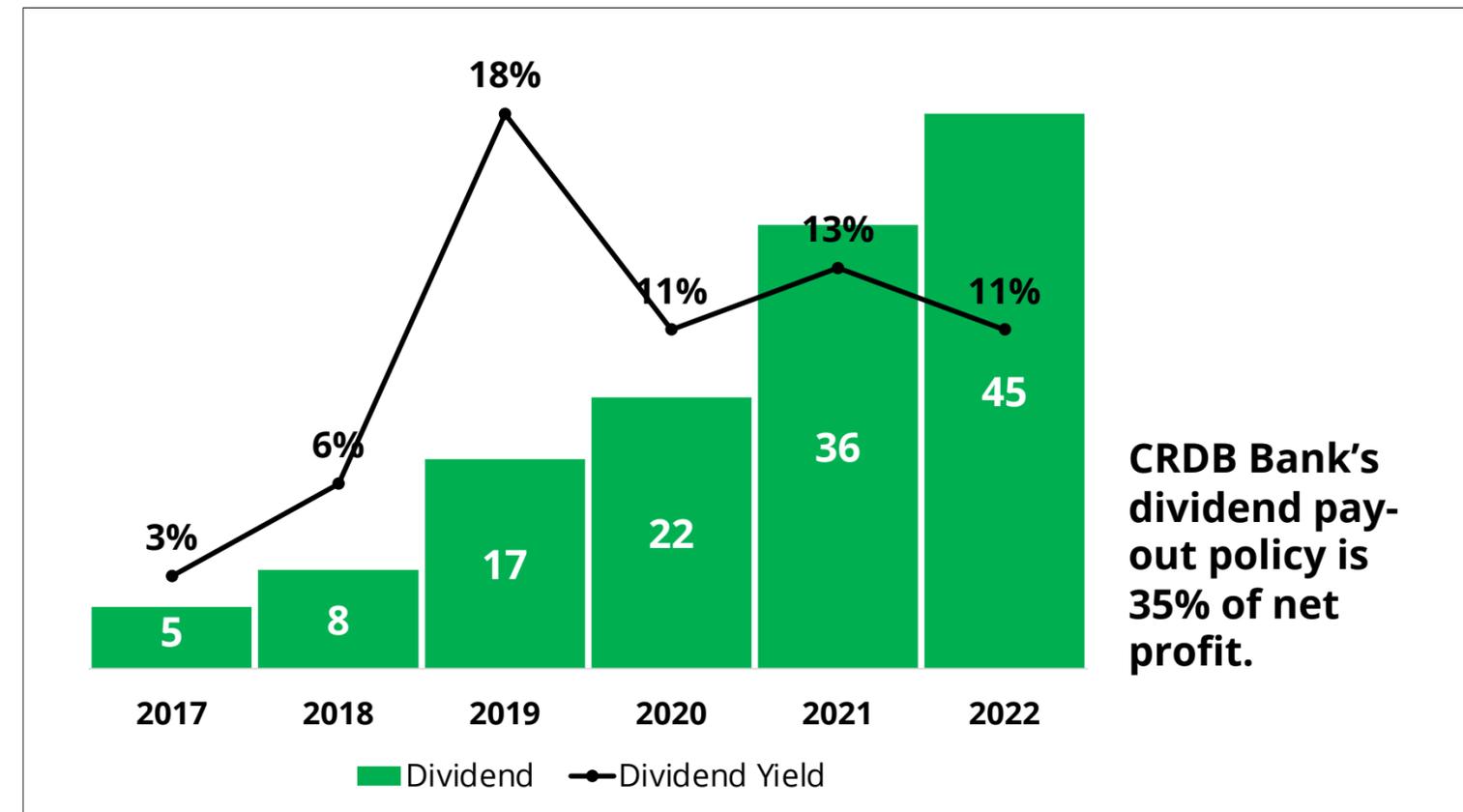
Our strategic **Capital management** has ensured the maintenance of optimal buffers, comfortably **exceeding both regulatory requirements** and **internal limits**. This has strengthened our financial resilience and empowered us to actively pursue our forward-looking growth objectives with confidence.

Annual Share Price Performance



16%
YoY Growth

Dividend Trend



Key Metrics

	4Q2023	4Q2022	YoY
Market Cap (Bln)	1,201.45	1,031.67	16%
Share Price	460	395	16%
Book Value Per Share (BVPS)	666	566	18%
Earnings per Share (EPS)	161	135	19%

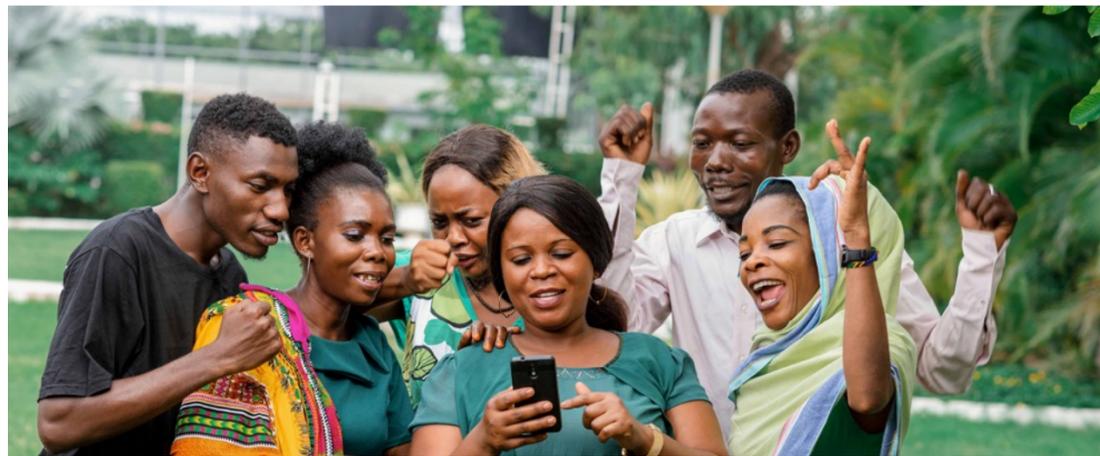


CRDB Bank shares continue to be **most active** to the bourse.



FORTIFY OUR CORE BUSINESS

We are committed to the strategic enhancement of our service portfolio, fortifying our existing business while simultaneously capitalizing on emergent opportunities within our current market landscape.



Service Experience

- Embedded new service philosophy and interaction standards to foster service experience.
- Implemented real-time monitoring and feedback systems to promptly address service issues.



Operational Effectiveness

- Streamlined and automated critical processes to improve quality and maintain optimal costs of operations.
- Maintained a robust ERM framework to identify, assess, and mitigate operational and financial risks.



Strategic Engagements

- Actively executed targeted engagement to sell value propositions in line with their interests.
- Frequently engaged with regulators to navigate the compliance landscape effectively.



ACCELERATE OUR GROWTH

We strategically diversified our revenue streams and grew our customer base by launching innovative, adaptable products, tapping into new opportunities securing a more dominant industry position.



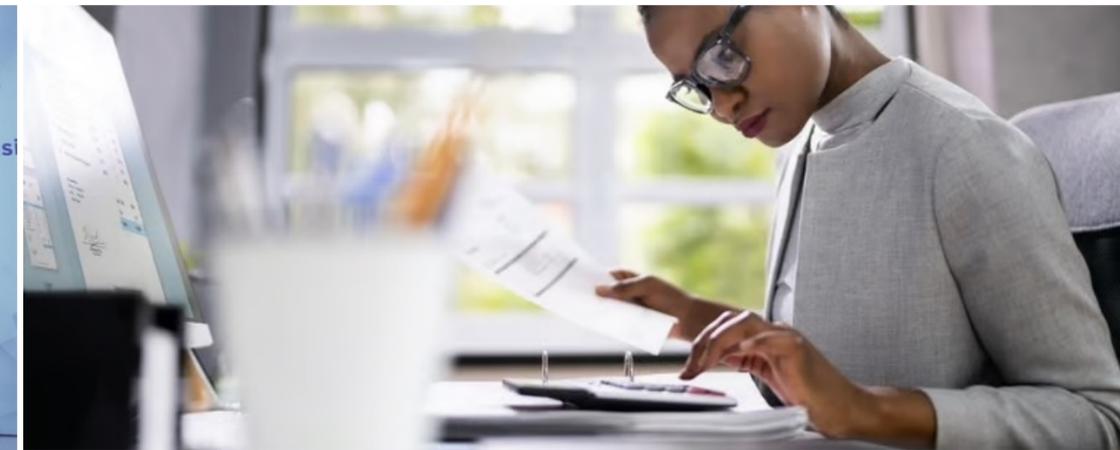
New Markets

- Launched an insurance subsidiary to tap into the under-served insurance sector, enriching our service suite.
- Launched another cross-border operation leveraging African intra-trade and potential in our customer base.



New Solutions

- Formed strategic alliances with international firms to introduce innovative market solutions.
- Introduced products tailored to the emerging and underserved demographics' lifestyle needs.



Penetration

- Enhanced our commitment to inclusive finance, expanding our geographic reach and accessibility.
- Streamlined our risk appetite to embrace unconventional banking broadening our socio-economic impact.



INNOVATE FOR TOMORROW

We integrate sustainability seamlessly within our operational and governance frameworks and proactively pursue emerging market opportunities to ensure enduring relevance in a dynamic business landscape.



Sustainability Actions

- Integrated sustainability into the overall Bank strategic plan.
- Diversified funding structure to promote sustainable financing.
- Drove social - driven projects through foundation to support community development.



Digital Transformation

- Adopted scalable IT infrastructure to swiftly meet market demands.
- Collaborated with fintech to accelerate digital banking capabilities.
- Strengthened cybersecurity measures to protect customer data and bank resources.



Workforce

- Developed leaders to manage changes and lead sustainable practices.
- Built an environment to attract and retain talents with a futuristic mindset.
- Focused on workforce diversity and an inclusive nature for employees to thrive and succeed.



Tanzania Economy

- Real GDP growth is projected to rise from 5.3% in 2023 to 6.3% in 2024, driven by the sustained recovery in tourism and gradual stability in supply and value chains.
- The Annual Average Headline Inflation has decreased to 3.8% in 2023 from 4.8% recorded in Dec 2022.
- The extended broad money supply (M3) grew by 14.1% in December 2023, compared with 11.6% in December 2022.
- Private sector credit growth remained strong, reaching 17.1%.

Burundi & Congo

Congo DRC

- Real GDP is projected to grow 8% in 2023 and 7.2% in 2024, driven by the extractive sector
- Inflation is projected to fall from 23.7% in 2023 to 6.5% in 2024, below the central bank's 7% target.

Burundi

- Real GDP is projected to grow to 4.6% in 2024, driven by public investment in transportation and energy.
- Measures aimed at boosting agricultural production and stabilizing the exchange rate are expected to reduce inflation, which is projected to drop to 9.0% in 2024.

Industry Updates

	Industry	CRDB
NPL	4.3%	2.8%
ROE	13.03%	26.7%
ROA	2.11%	4.8%
NIMs	6.4%	7.8%
CIR	50.8%	49.5%

03 Financial Review



Strong Balance Sheet Growth

Group Balance Sheet

In TZS Billions	4Q23	4Q22	YoY Growth
Government Securities	2,173	2,274	-4%
Net Loans & Advances	8,458	6,878	23%
Total Assets	13,264	11,637	14%
Customer Deposits	8,776	8,143	8%
Borrowings	1,780	1,479	20%
Shareholders Fund	2,142	1,738	23%

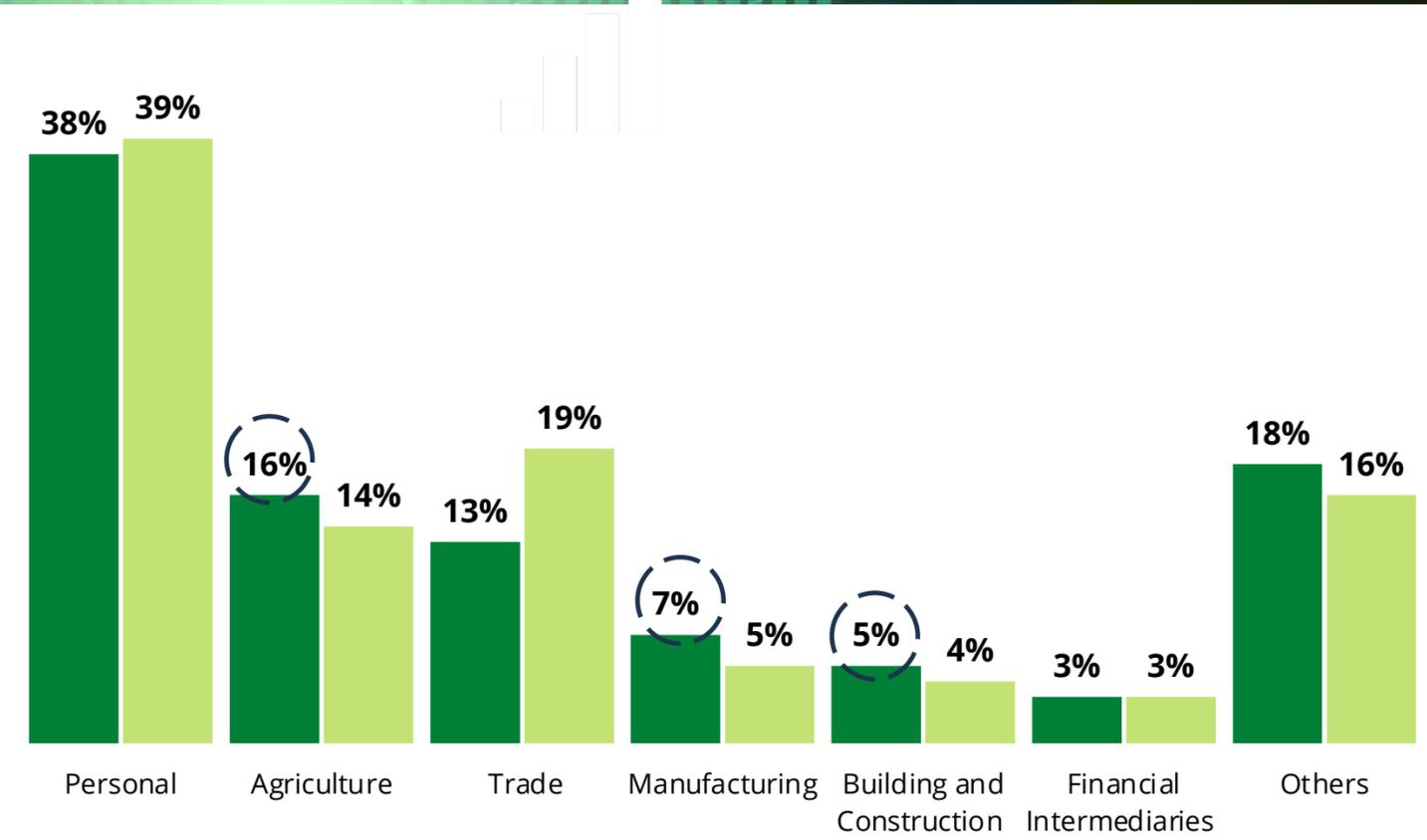
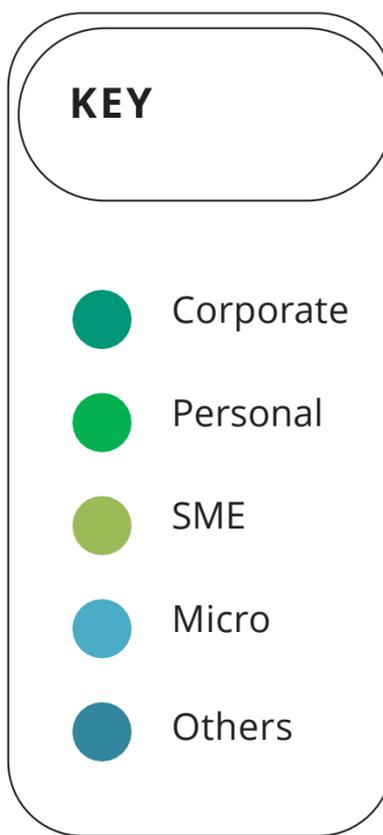
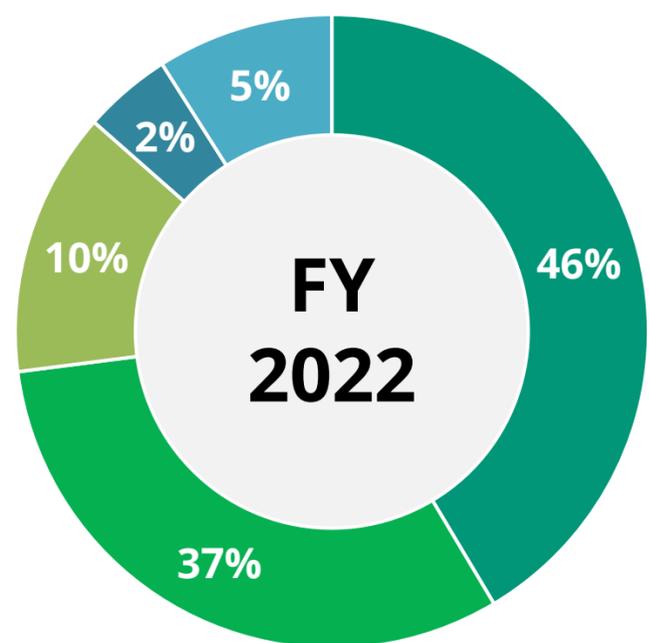
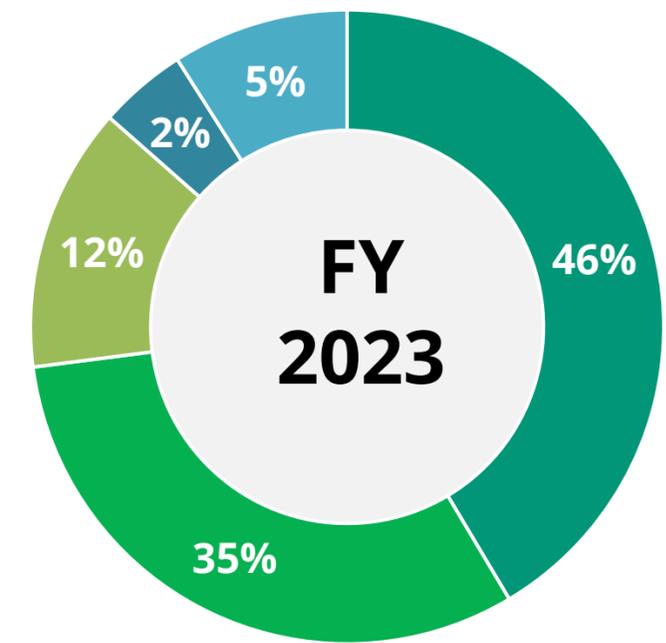
▲ **14%**

Remarkable achievement YOY growth of Balance sheet size to TZS 13.3 Tln

▲ **23%**

Growth of loan Book driven by growth in the corporate and SME segments

Gross Loan Split – By Segment and Sector

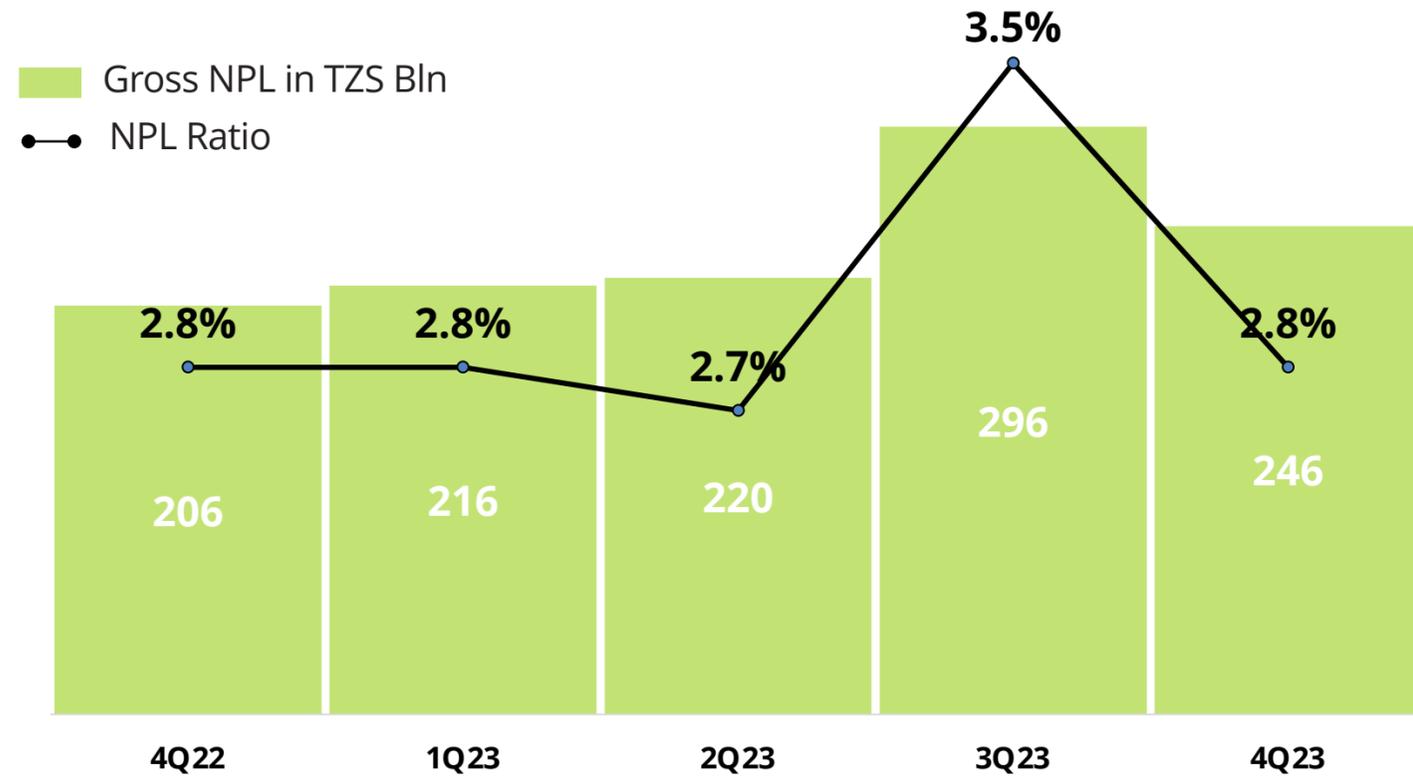


- Retail loans continue to form majority of the Group's loan portfolio
- Notable increase on SME loans
- 24% of loans in FX

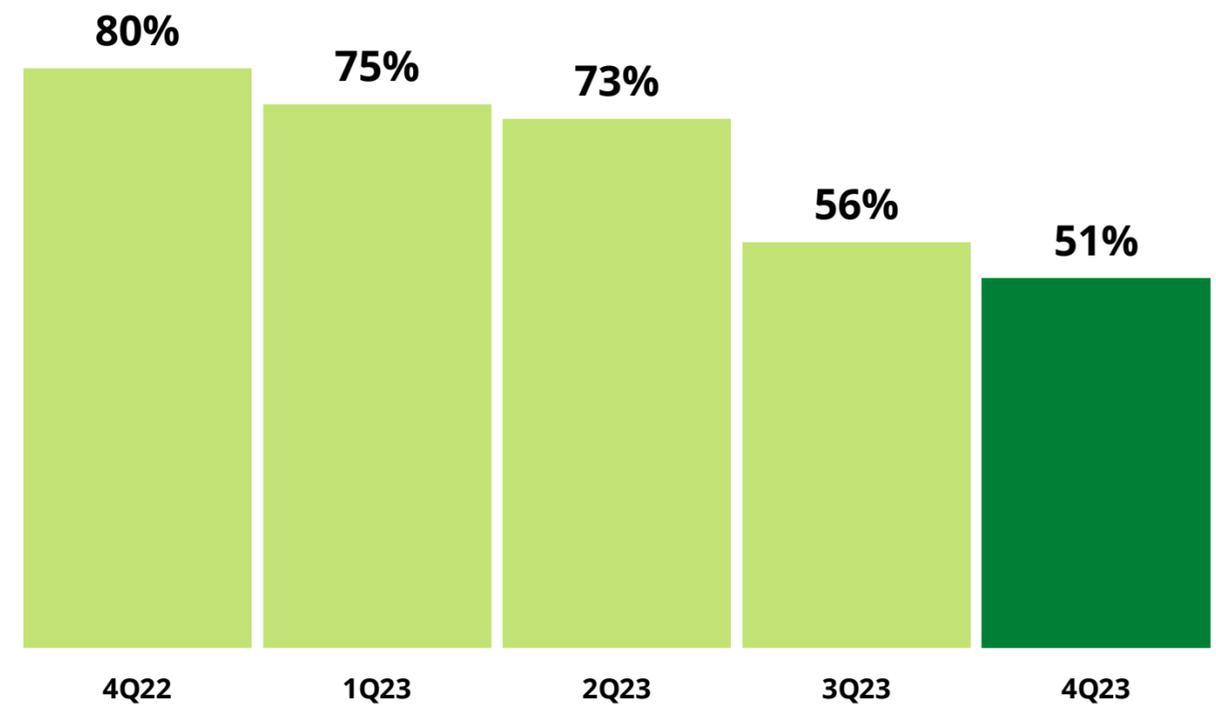


Notable loan growth in agriculture, manufacturing and building and construction sectors

NPL Evolution



NPL Coverage

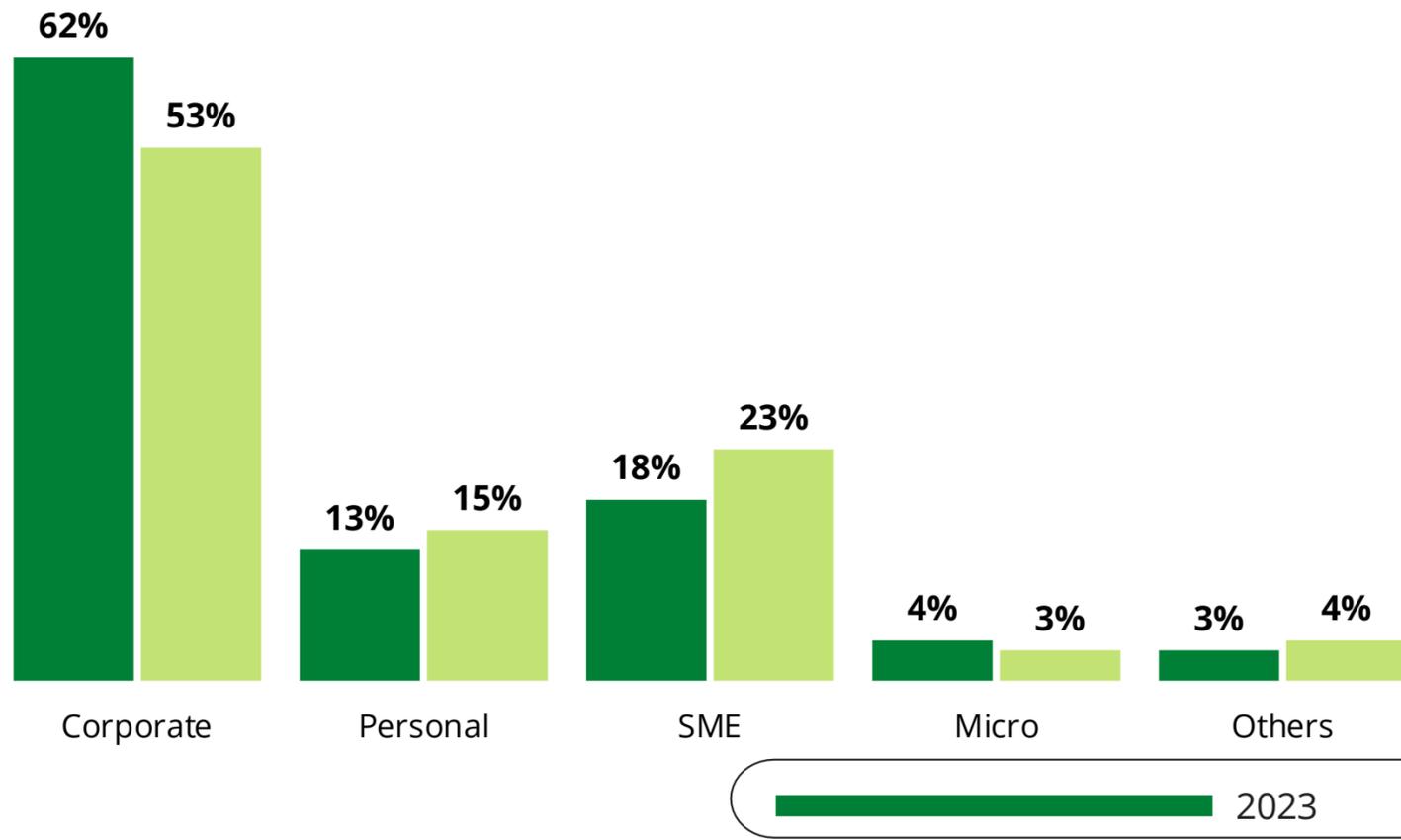


- NPL closed at 2.8%
- Below the regulatory limit of 5%

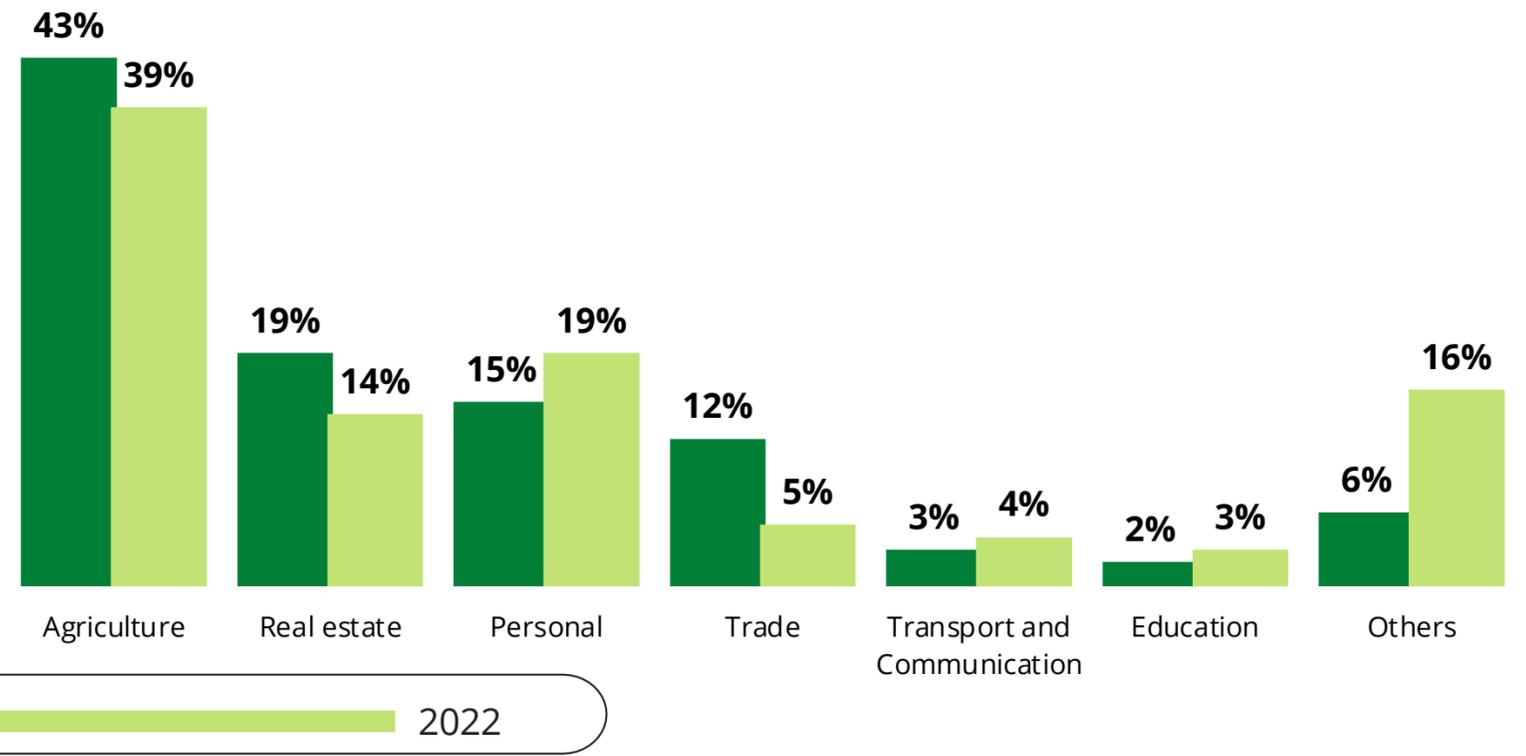
- 25% YoY decrease in ECL to TZS 123bn
- Cost of risk reduced to 0.9% from 1.0% in 4Q22.



NPL Split per Segment

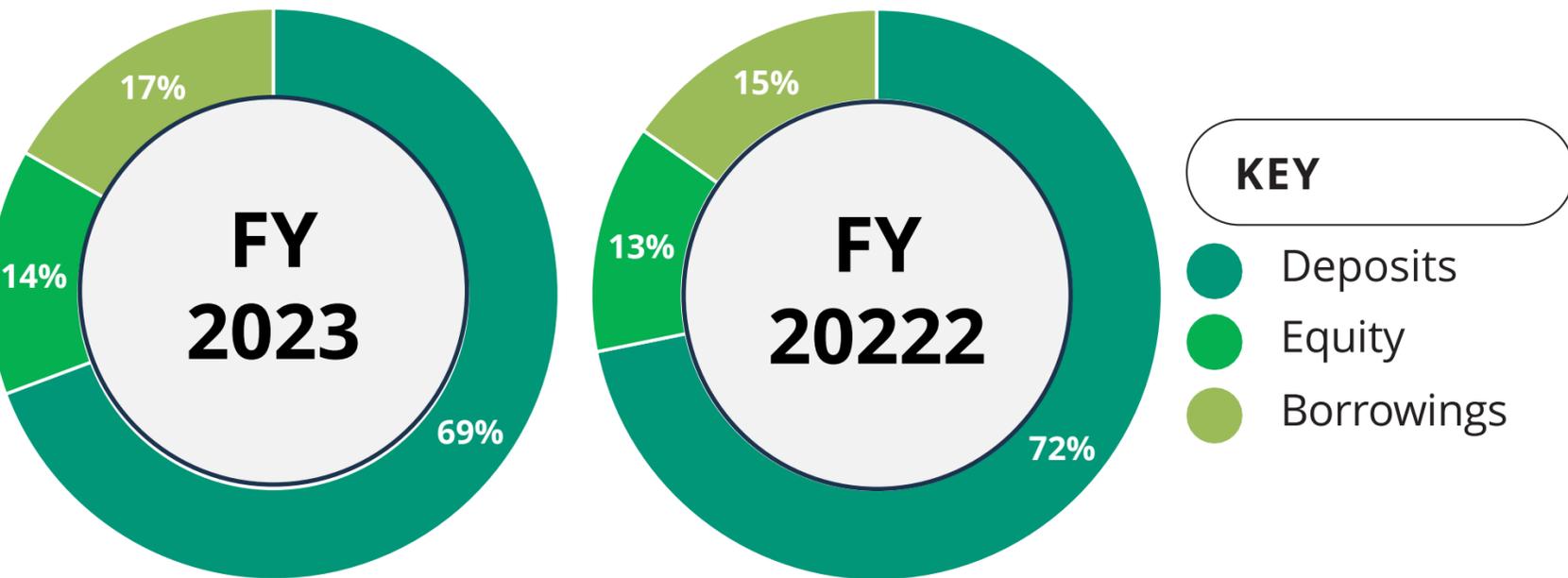


NPL Split per Sector



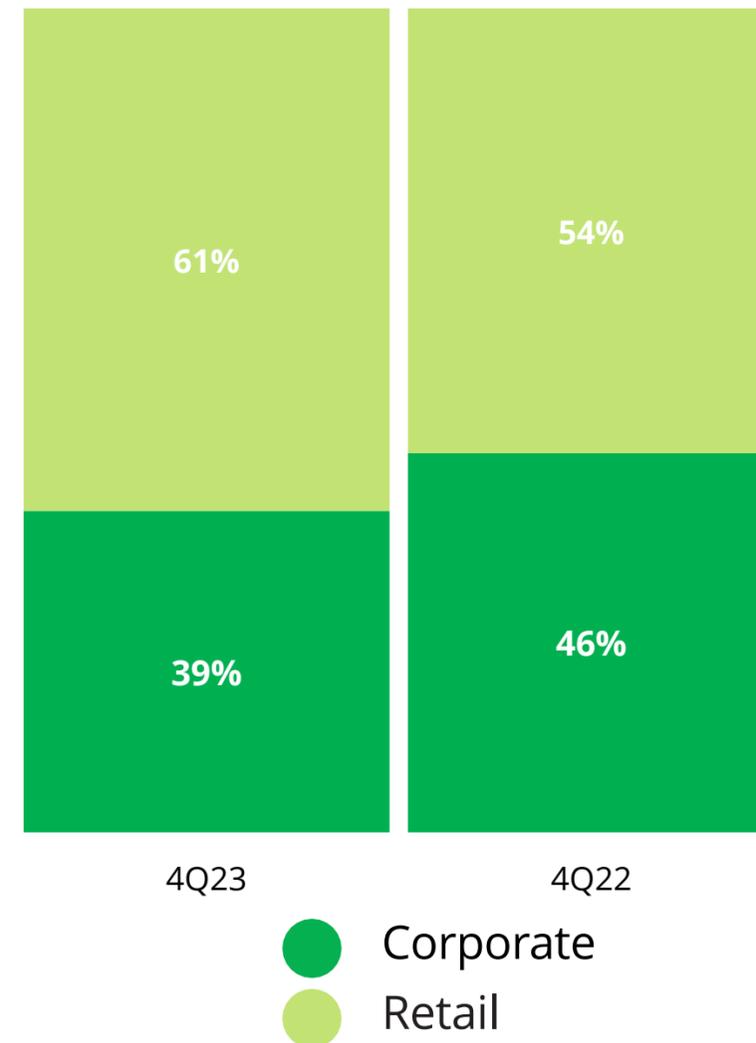
- Growth in Corporate NPLs driven by clients in the Agri and Real Estate sectors
- Below the regulatory limit of 5%

Funding Mix



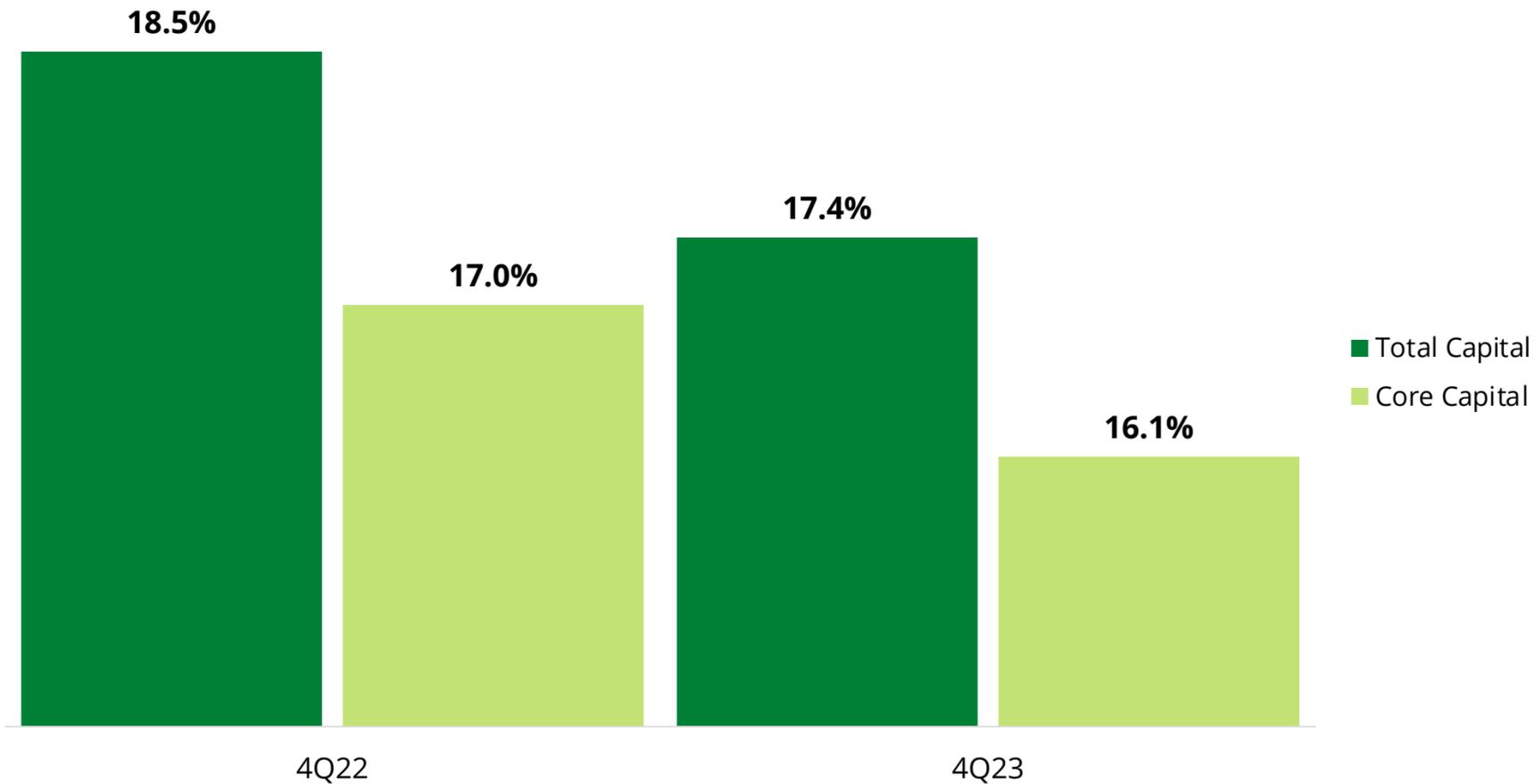
- In the quarter, the composition of borrowings increased to 17% from 16% in the same period in the previous year. The borrowings were sought to support growing loan demands
- The bank's liquidity ratio stood at 27%, which is above the internal target of 25% and the regulatory ratio of 20%.

By Segment



- 8% YoY growth of customer deposits driven by the consumer and business segments in retail
- 85% of deposits are CASA
- 21% of deposits are FCY compared to 18% in 4Q22
- Management continues to focus on growing cheap deposits to contain growing funding costs

Capital Adequacy



- The bank's Core capital ratio stands at 16.1%, while its Total capital ratio is at 17.4%. Both ratios are above the minimum regulatory requirement of 12.5% and 14.5% for Tier I and II, respectively.
- Central Bank issued several guidelines on the implementation of Basel ii and iii with mandatory compliance in April 2025. The new Regulation will affect the capital computation and liquidity ratios.

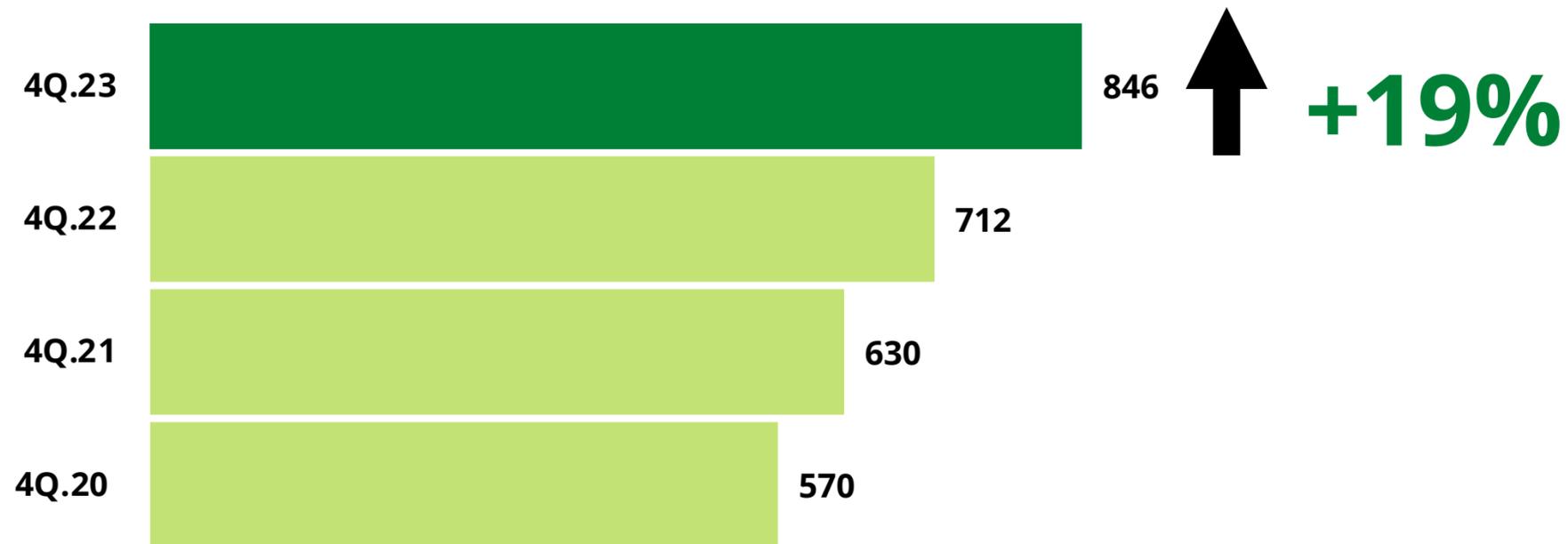
Income Statement

In TZS Million	FY2023	FY2022	YoY Growth
Interest Income	1,195,991	929,554	29%
Interest Expenses	(349,989)	(221,452)	58%
Net interest income	846,002	708,102	19%
Non - Funded Income	448,231	404,848	11%
Operating Expense	(640,666)	(550,096)	16%
Loan Impairment charges	(54,486)	(65,145)	-16%
Profit After Tax	423,714	351,407	21%

 **21%**

The Group recorded a Profit After Tax of TZS 423.7bn with 21% YoY growth.

Net Interest Income



- 29% YoY growth in Interest Income driven by loan portfolio growth
- Interest expense increased by 58%.
- In the quarter, NIMs increased to 8.3% from 7.8% in 3Q23 and 7.4% in a similar period in 2022.

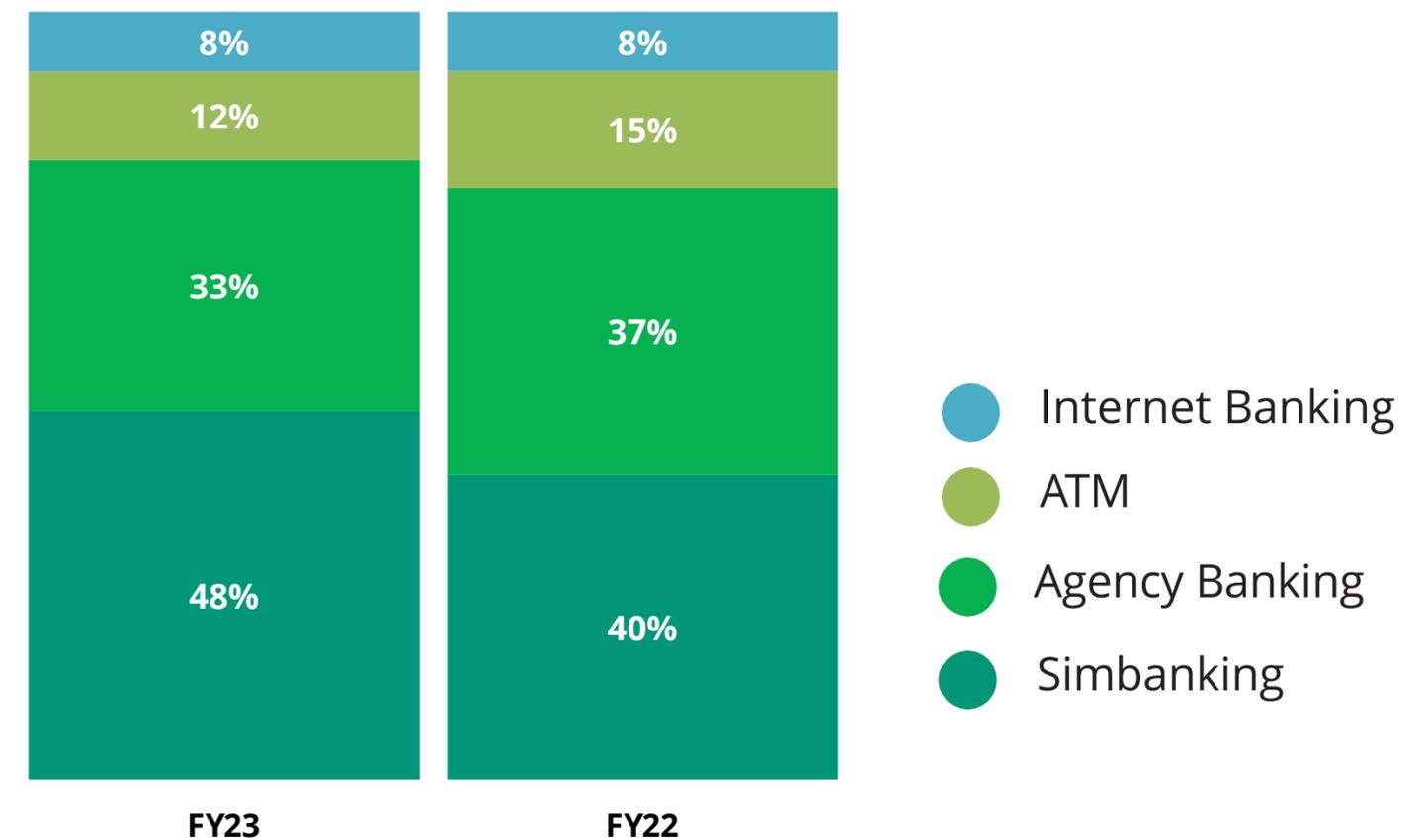
Net Interest Margin	4Q22	1Q23	2Q23	3Q23	4Q23
	7.4%	7.6%	7.9%	7.8%	8.3%

Income Statement

In TZS Million	FY 2023	FY 2022	YoY Growth
Forex Income	66,778	57,557	19%
Fees and Commission	362,124	296,861	23%
Other Operating Income	19,291	50,430	(62%)
NFI contribution to total income	35%	36%	

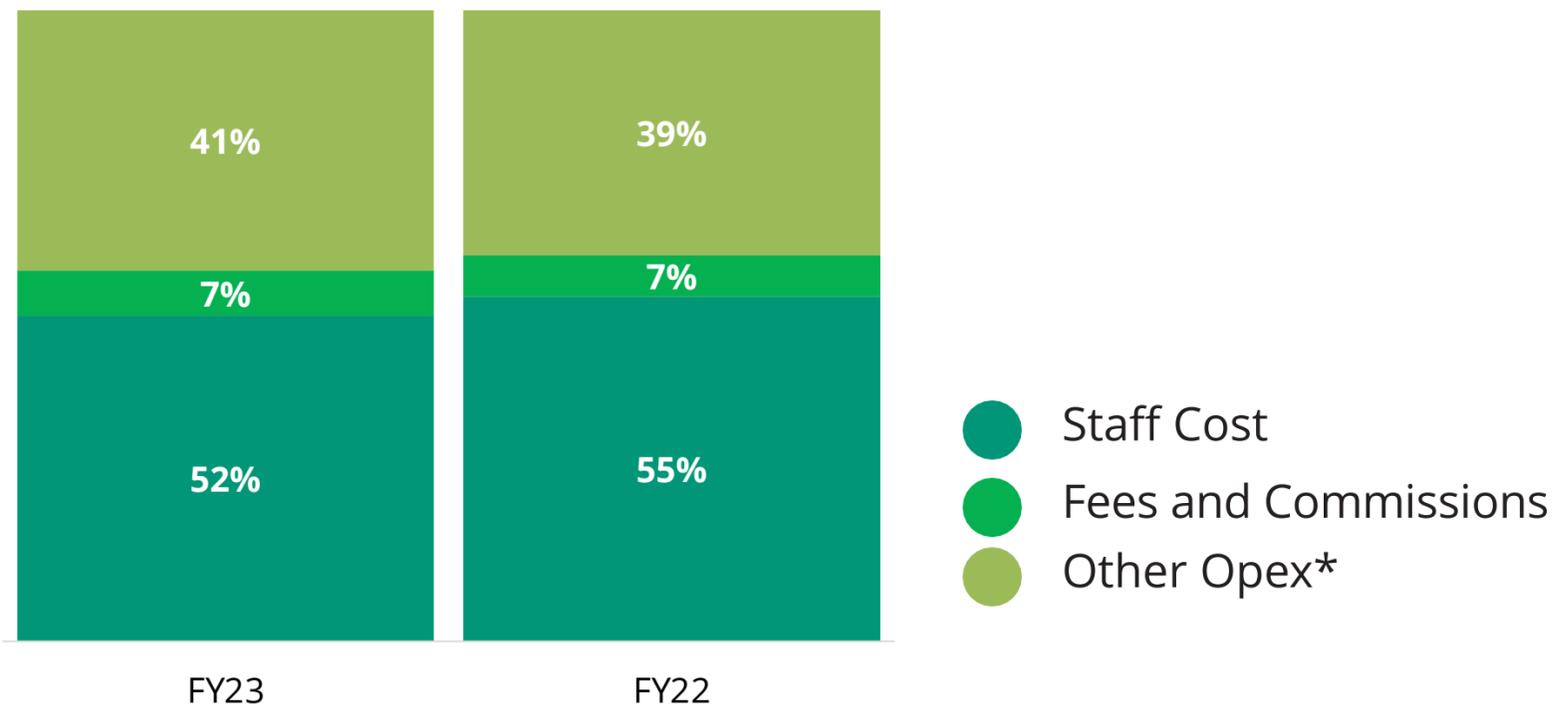
- Growth in fees and commission driven by increased activities in the alternative channels - Simbanking, Agency Banking and Internet Banking, and expansion of the trade finance business.
- Other income impacted by decrease in AFS Income resulting from decreasing interest rates

Alternative Channel Income Contributors



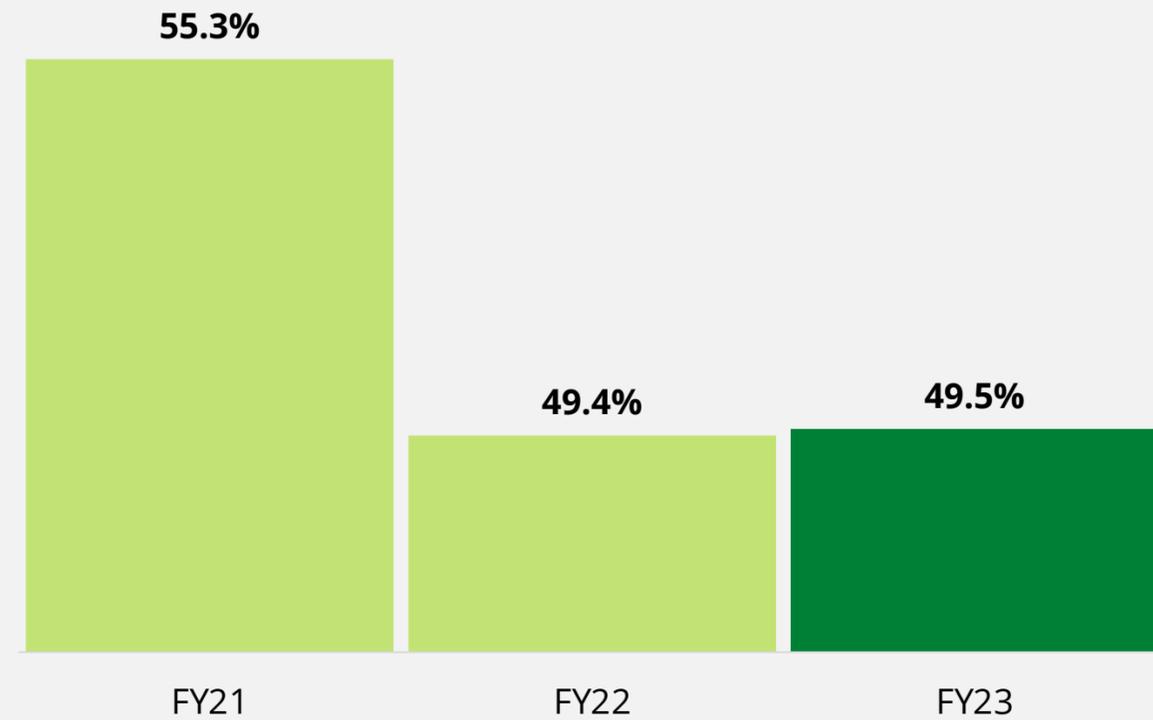
- 67% YoY growth in Simbanking income due to adoption and usage.
- Agency banking grew by 21% YoY, driven by an increased in agents

Operating Expenses



NB: Other operating expenses comprise office, maintenance, property, and general expenses.

Cost to Income Ratio



The CIR remains below the regulatory limit of 55%

(In TZS Millions)	FY 2023	FY 2022	YoY Growth
Burundi			
Total Assets	984,950	850,484	16%
Total Deposits	538,834	525,119	3%
Operating Income	59,224	46,377	28%
Net Profit	30,193	22,985	31%
DR Congo			
Total Assets	119,261		
Total Deposits	2,301		
Operating Income	2,109		
Net Profit	(4,106)		
Insurance			
Total Assets	8,500	7,210	18%
Net Commission Income	639	895	(29%)
Net Profit	(1,683)	222	(838%)

Burundi

- Burundi with a PAT of TZS 30.2bn – YoY growth of 31%
- ROE grew to 38.6% in FY23 from 35.0% in FY22
- Contribution to Group PAT increased to 7.1% in FY23 from 6.5% in FY22

DR Congo

- Commenced operations in July 2023
- The total assets of TZS are 119bn, which is contributed by cash and balances with other banks
- Total deposits were TZS 2.3bn. Management continues mobilizing low-cost deposits and focusing on rolling out alternative channels to improve NFI

Insurance

- Commenced operations as General Insurance Company in October 2023 after transitioning from Insurance Brokerage.
- 18% YoY increase of total assets to TZS 8.5bn - comprising of underwritten premiums
- The company incurred a loss of TZS 1.68 billion



Leveraged our social impact investment arm to promote innovation and spearhead the growth of start-up businesses among women and youth

1. VALUE DRIVERS

- Implemented 2 iMBEJU programs (for youth and Women)
- Resource mobilization engagements with different partners

2. VALUE CREATED

- Capacity building to 109k youth and women
- Seed capital of TZS 2.4Bn granted to 800+ youth and women
- 68k youth and women financially included through iMBEJU accounts
- Financial performance: TZS 5.2Bn Deposits Mobilized and Non-Interest Income TZS 700Mn

04 Looking Ahead





	4Q 2023 Actual	2024 Outlook
Loan Growth	23%	13% - 18%
Customer Deposit Growth	8%	16% - 25%
Non-Funded Income Contribution to Total Income	35%	35% - 40%
Cost to Income Ratio	49.5%	43% - 47%
Return on Equity	26%	25% - 30%
Return on Assets	4.9%	4.5% - 6.5%
NPL	3%	2.5% - 3.5%



Thank You