

The lender's net interest income grew by 19 percent, rising to Sh526 billion

CRDB profit attracts investors

The profit growth went down well with investors, sending the lender's price per share at the DSE to Sh140 on Friday, up from a closing price of Sh130 per share on Thursday

By Louis Kolumbia

@TheCitizenTZ

news@tz.nationmedia.com

Dar es Salaam. An 87 percent rise in net profit for CRDB Bank was good news for investors on Friday, triggering an increase in the lender's share price to a 12-months high.

On Thursday, the CRDB Bank Group reported that it registered a net profit of Sh120 billion in 2019, which was 87 percent higher than the Sh64 billion it posted in 2018.

The news went down well with investors, sending the lender's price per share at the Dar es Salaam Stock Exchange (DSE) to Sh140 on Friday, up from a closing price of Sh130 per share on Thursday.

The CRDB's trading counter had 10,124 shares traded at a weighted average price of Sh140 per share in three deals.

In its financial statement, which was released on Thursday last week,

the bank reported that the profit rise was fuelled by improvements in both interest and non-interest income streams.

The bank's net interest income grew 19 percent to Sh526 billion, driven by retail loans, investment in government securities and reduced funding costs.

Non-Interest Income grew by 15 percent to Sh253 billion.

Group chief executive officer and managing director Abdulmajid Nsekela attributes the growth to a sound strategy which transformed the business and unlocked the bank's potential of growth.

"We have changed the way we do business by investing more in efficient processes, improving productivity and inculcating a high-performance culture," said Mr Nsekela.

Customer deposits with the bank grew by 11 percent, to Sh5.2 trillion, in 2019.

This, according to Mr Nsekela,



CRDB Bank managing director Abdulmajid Nsekela. PHOTO | FILE

was fuelled by enhancement of the digital banking offering (SimBanking and internet banking) and the launch of new products that target new market segments.

"We are actively engaging customers with a view of listening to their unique needs and building better relations to help them achieve their goals," he said.

Loans and advances grew by eight percent, to Sh3.4 trillion, compared to the Sh3.1 trillion reported in the

fourth-quarter of 2018.

"This was largely driven by a favourable business environment and reinforced by the Bank's sustained push to extend credit to Small and Medium Enterprises, and the consumer sectors," he said.

The bank managed to cut Non-Performing Loans (NPLs) significantly to 5.5 percent, down from the 8.5 percent reported in 2018 - thanks to the implementation of a stringent NPL containment strategy.

The Group also enhanced its network distribution by recruiting more than 9,000 CRDB Wakala agents to deliver banking services to the masses. The expansion is aimed at deepening financial access - and drive financial inclusion.

CRDB Group's total assets grew by 11 percent, to Sh6.6 trillion, up from the Sh5.9 trillion reported at the end of 2018.

The bank supported all key sectors of the economy with considerable focus on Trade, Manufacturing, Agriculture and Construction as key drivers of growth.