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CRDB half year profit shoots up by 27 pc

By DAILY NEWS
Reporter

CRDB Bank has sustained impressive performance after posting a 27 per cent pretax profit increase in the first half this year despite Covid-19 challenges.

The lender's profit before tax rose 26.6 per cent to

127bn/- in six months to June compared to 100bn/- in the same period last year.

CRDB Group CEO Abdulmajid Nsekela said the profitability was also underpinned by a drop in NPL to 4.4 per cent from 4.8 per cent last year reflecting a well-maintained loan quality portfolio by the giant lender.

"Our results have had a very positive evolution in the second quarter of [this year]. Our underlying net attributable profit stood at 89bn/-, even above pre-COVID levels, on the back of a strong operating income.

"We continue to advance at a solid pace in some key areas of our strategy: We have

doubled our commitment to financing development sectors, and we have reported a record in digital customer acquisition," Mr Nsekela said.

Total assets rose by 15.2per cent from 7.0tri/- to 8.1tri/- total deposits were up by 10.6 per cent from 5.5tri/- to 6.1tri/- whilst total loans grew by 15.7 per cent from 3.6tri/- last year

to 4.2tri/- to cap the good outing by the top lender.

CRDB Acting Chief Financial Officer Musiba Mugaya said the net interest income and non-interest income combined to generate total net revenue of 447bn/-, up nearly 11 per cent year-on-year.

"The bank was also able to drive further improvement in

efficiency ratio as a result of its ability to effectively manage expenses," Mr Mugaya said.

During the second quarter this year, CRDB Bank recorded interest income of 371bn/- compared to 336bn/- recorded in the same period last year.

Customer acquisition through digital channels grew a record 30 per cent since the

launch of the enhanced Sim-Banking App early this year. Similarly, digital banking has contributed significantly to non-interest income; Sim-Banking 54per cent and CRDB Wakala 36per cent.

The basic earnings per share for the second quarter of this year improved to Tsh16.40 from Tsh 12.40 reported for

the same period of the previous year.

Additionally, the bank's cost to income ratio improved to 59.3 per cent from 63.2 per cent, return on equity increased to 16.9per cent from 15.4per cent, while the return on assets increased to 3.4 per cent from 3.0 per cent indicating a solid financial performance in Q2.