

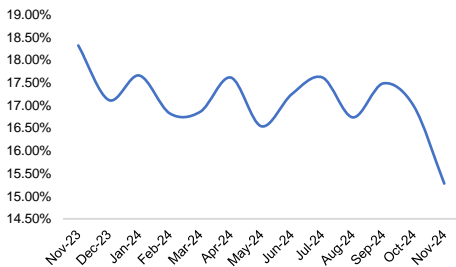
CRDB Bank EARNINGS HIGHLIGHTS Dec 2024



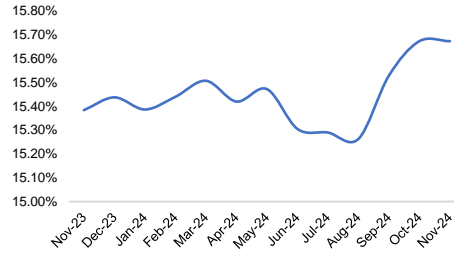
CRDB BANK PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING DEC 2024

INDUSTRIAL OVERVIEW

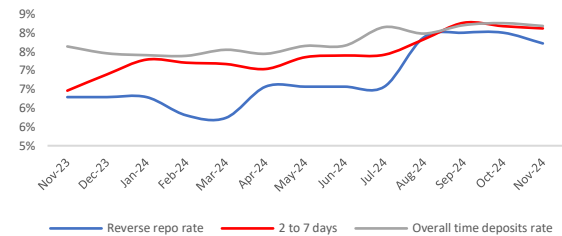
Annual Private Sector Credit Growth



Overall Lending Rate Trend

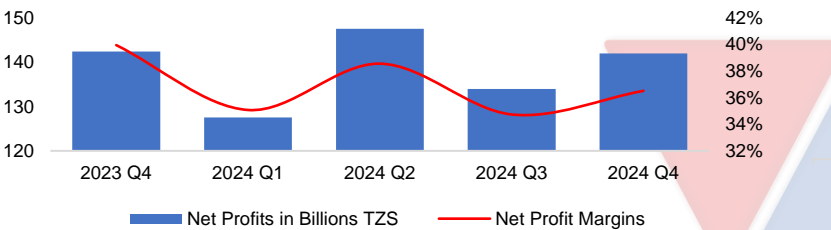


Interbank Cash Market, Reverse Repo & Overall Time Deposit Rates

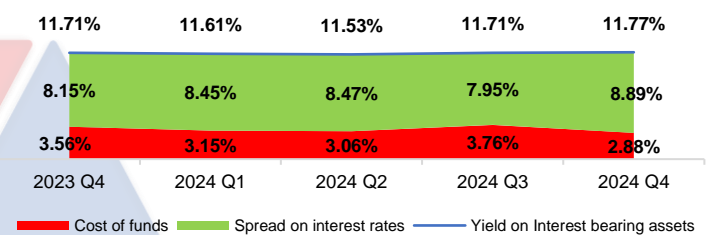


INCOME STATEMENT ANALYSIS

CRDB Profitability Trend



CRDB Indicative Interest Rate Trends



Net Profits increased by 5.97%, from TZS 133.92 billion as of Sept 2024 to TZS 141.91 billion as of Dec 2024.

Possible Reasons:

Cost-saving initiatives reduced interest expenses by 21.50% QoQ to TZS 100.33 billion in Q4'24, down from TZS 127.82 billion in Q3'24. Over the three months, this decline was driven by a shift in the bank's funding mix, as expensive borrowings fell 9.32% to TZS 2.97 trillion, while cheaper deposits grew 6.18% to TZS 10.94 trillion. This was coupled with downward pricing in low-interest depository products such as savings accounts, which comprise over 35% of CRDB's customer deposits as of FY 2023.

Loan impairment charges fell 21.29% QoQ to TZS 22.98 billion in Q4'24, down from TZS 29.2 billion in Q3'24, driven by a lower credit risk assessment. This decline occurred despite a 14.66% increase in non-performing loans to TZS 310.09 billion and a 29-basis-point rise in the NPL ratio to 2.90% over the three months.

Operating expenses declined by 1% QoQ to TZS 188.79 billion in Q4'24, down from TZS 190.69 billion in Q3'24. This was driven by lower fees, commission expenses, and software payments to international providers as the TZS appreciated against the USD and other major currencies.

Underperformances in the Income Statement:

Income on foreign exchange dealings fell by 250.72% QoQ from a profit of TZS 17.20 billion as of Q3'24 to -TZS 25.93 billion as of Q4'24, with the losses stemming from the appreciation in the TZS against other major currencies and the subsequent downward repricing of the currency by the bank.

Interest income fell marginally by 1.30% QoQ to TZS 397.40 billion following a slowdown in loan disbursements. Loan growth on a QoQ basis stood at 2.76%, the slowest growth recorded since Q1'21, as the bank instead prioritized increasing its liquidity.

Income Statement Analysis Amounts in Billions TZS	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Net Operating Income	356.43	363.61	382.64	385.58	388.75
Growth Rate	13.09%	2.02%	5.23%	0.77%	0.82%
Operating Expenses	169.14	175.87	181.38	190.69	188.79
Growth Rate	0.25%	3.97%	3.14%	5.13%	-1.00%

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BALANCE SHEET STATEMENT ANALYSIS

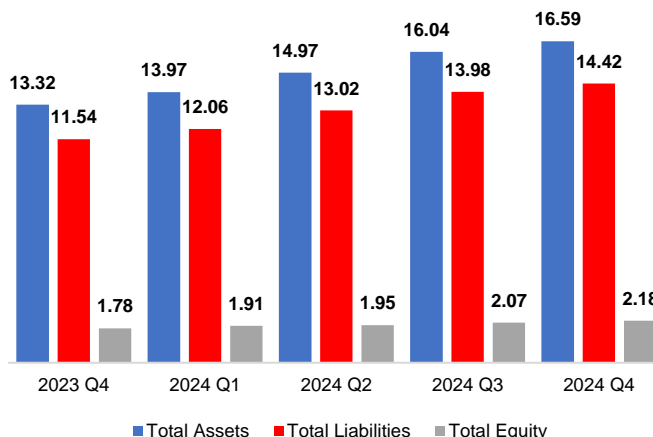
Total assets increased by 3.40% during the quarter ending June 2024, reaching TZS 16.59 trillion in value.

Possible Reasons:

Balances with the Bank of Tanzania increased by 108.55%, amounting to TZS 1.63 trillion, perhaps due to the bank's decision to bolster its liquidity during Q4'24 and account for possible increased withdrawals and spending that tend to occur around the last quarter of the year. Customer loans increased by 2.76%, amounting to TZS 10.40 trillion as of Q4'24 as the bank continued to pursue lending towards SMEs, MSMEs, and Agribusinesses.

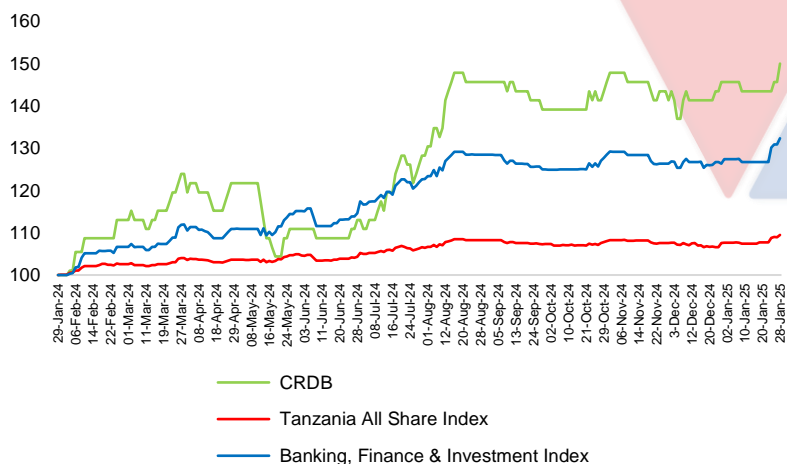
To finance the balance sheet growth the bank increased its customer deposits by 6.2% QoQ from TZS 10.31 trillion as of Q3'24 to TZS 10.94 trillion as of Q4'24 as well as a 5.40% increase in Shareholder's Equity brought about by the bank's increased profitability throughout 2024.

Balance Sheet Highlights in Trillions TZS



INVESTORS' CORNER

CRDB Vs TSI & BI Index 52-Week Returns Rebased at 100



Supporting Fundamentals

Ticker	CRDB
Closing Price as of 28 th Jan 2024	TZS 690
Book Value per Share	TZS 832.76
P/B Ratio	0.83x
Trailing EPS	TZS 210.88
P/E Ratio	3.27x
ROE	25.32%
ROA	3.32%

* The word trailing indicates the sum of the company's earnings per share from the latest four quarters

OUTLOOK

CRDB demonstrated strong resilience in 2024, with post-tax profit rising 30.28% to TZS 550.81 billion. Growth was driven by a 30.42% increase in Net Interest Income to TZS 1.10 trillion, supported by a 22.77% loan book expansion and upward repricing of lending products. Interest expense grew at a slower 18.97% due to efficient liability management. Non-funded income rose 14.08% to TZS 511.07 billion, driven by higher loan commitment fees and increased digital banking usage. Operating expenses grew by 15.02%, but cost efficiency improvements lowered the cost-to-income ratio to 45.66%, down from 49.61% in 2023. CRDB's subsidiaries also showed remarkable growth during the year, with net profits from subsidiaries standing at an estimated TZS 21.58 billion as of 2024, a 52.24% increase from TZS 14.18 billion in 2023 driven by stronger profitability from CRDB Burundi and a contraction in losses from recently established CRDB Congo and CRDB Insurance Subsidiaries. Subsidiaries' share of Group net profits currently stands at 4.08%, from 3.47% in 2023.

Looking ahead, we anticipate sustainable growth in CRDB's profitability primarily driven by its focus on providing financial services towards the SME and Agricultural business segments, coupled with broad-based growth from its other customer segments driven by in the event of a more accommodative monetary policy to encourage increased economic growth for 2025 which would allow for revitalization in Money Supply growth, more affordable interest rates both of the cost of funding for banks and lending rates offered to customers and a resurgence in private-sector credit growth. From a dividend play narrative, the bank's Earnings per Share of TZS 210.88 would allow for an estimated dividend of around TZS 73.81 per share, a 47.62% increase from the TZS 50 paid out in 2023, however, it's worth mentioning that whether or not the bank will fully pay out the aforementioned dividend will depend on the strength of its capital buffers and Capital Adequacy Ratios.

CRDB BANK PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING DEC 2024

RATIO ANALYSIS

	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4
Bank Ratios:								
Capital Structure:								
Borrowings to Equity	123.68%	134.83%	130.49%	125.18%	112.56%	131.52%	158.58%	136.77%
Equity Multiplier	7.80	8.42	7.92	7.48	7.32	7.69	7.76	7.63
Equity to Assets Ratio	12.83%	11.87%	12.62%	13.37%	13.66%	13.00%	12.89%	13.11%
Asset Quality:								
NPL Ratio	2.74%	2.72%	3.42%	2.79%	3.19%	3.16%	2.61%	2.90%
NPL Coverage Ratio	75.25%	114.04%	56.25%	50.79%	36.96%	34.94%	43.30%	44.18%
Cost of Risk	1.16%	0.64%	0.77%	0.20%	0.81%	0.95%	1.14%	0.88%
Management Quality:								
Loan Growth	4.59%	6.59%	5.94%	3.97%	4.88%	7.14%	6.32%	2.76%
Deposit Growth	1.34%	5.45%	-0.91%	2.04%	7.03%	6.37%	2.16%	6.18%
Earning to Total Assets	85.40%	85.20%	88.40%	85.70%	84.90%	86.90%	85.70%	81.40%
Earnings Quality:								
Net Profit Margin	32.51%	30.95%	31.87%	39.93%	35.07%	38.54%	34.73%	36.50%
Net Profit Growth	-4.83%	-0.49%	11.91%	41.68%	-10.42%	15.67%	-9.20%	5.97%
Cost to Income Ratio	48.43%	52.18%	50.95%	46.90%	46.07%	44.75%	45.97%	45.85%
Liquidity:								
Loan to Deposit Ratio	92.00%	93.10%	98.30%	99.00%	98.20%	98.60%	100.10%	97.00%
Loans to Deposits & Borrowings	70.44%	71.19%	75.32%	76.15%	76.16%	75.04%	74.27%	74.51%
Liquid to Total Assets	31.53%	32.10%	29.71%	26.41%	26.65%	27.20%	30.04%	28.78%

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