

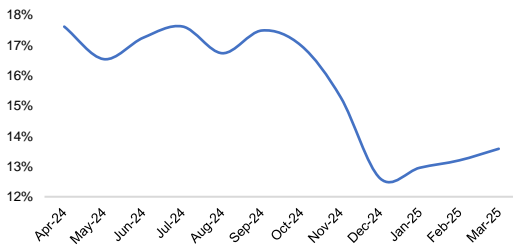
# CRDB Bank EARNINGS HIGHLIGHTS March 2025



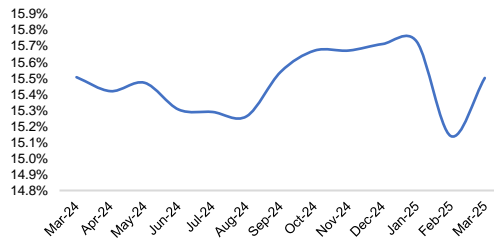
## CRDB BANK PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING MARCH 2025

### INDUSTRIAL OVERVIEW

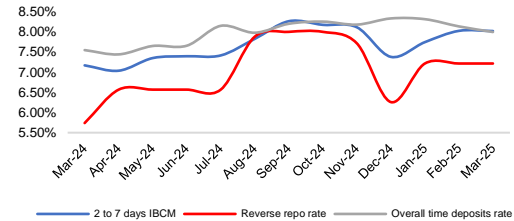
Annual Private Sector Credit Growth



Overall Lending Rate Trend

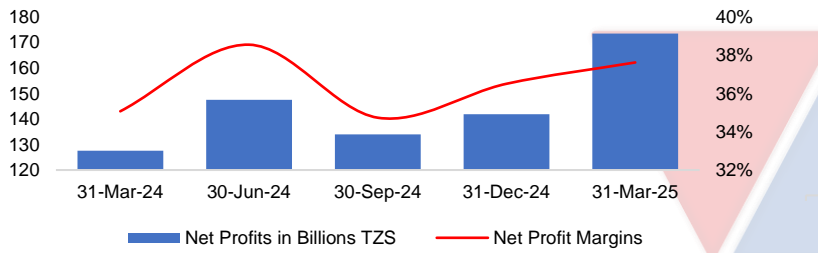


Interbank Cash Market, Reverse Repo & Overall Time Deposit Rates

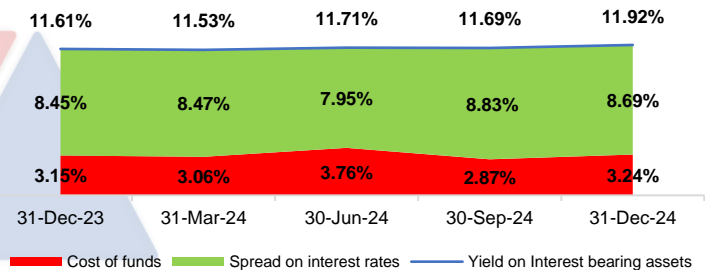


### INCOME STATEMENT ANALYSIS

CRDB Profitability Trend



CRDB Indicative Interest Rate Trends



Net Profits surged by 22.20% QoQ from TZS 141.91 billion as of Dec 2024 to TZS 173.41 billion as of March 2025.

#### Reasons:

Foreign currency income grew significantly, rising 299.11% QoQ from a loss of TZS 25.93 billion in Q4'24 to TZS 51.63 billion in Q1'25. This increase was likely driven by heightened customer demand for hard currencies—USD, GBP, and EUR—amid sharp depreciation of the Tanzanian shilling by 10.66%, 13.62%, and 14.24% against those currencies, respectively. Additionally, foreign currency deposits held by residents grew by 10.60% during the quarter, from TZS 11.77 trillion in December 2024 to TZS 13.01 trillion in March 2025.

The bank continued to remain cost efficient with net revenues surging by 18.58% QoQ amounting to TZS 460.99 billion thanks to the drastic improvement in the bank's foreign currency dealing segment all while operating expenses grew by 9.55% amounting to TZS 206.82 billion resulting in the bank's cost to income ratio to fall from 45.85% in Q4'24 to 41.66% in Q1'25

#### Areas that need be addressed:

On the downside, Net Interest Income recorded minimal growth of just -0.54% QoQ, rising from TZS 274.08 billion in Q4'24 to TZS 272.61 billion in Q1'25. This sluggish performance was partly due to a 20.08% QoQ increase in interest expenses, likely amounting to TZS 120.48 billion influenced by rising interbank borrowing rates, which climbed from 7.38% in December 2024 to 8% in March 2025 while, interest income recorded a dismal growth of 7.85% QoQ amounting to TZS 428.60 billion in Q1'25.

Impairment Charges surged 54.47% QoQ amounting to TZS 35.50 billion during Q1'25 following an 18.65% rise in the bank's non-performing loan stock amounting to TZS 367.94 billion.

Income Statement Analysis Amounts in Billions TZS	Mar-24	Jun-24	Sept-24	Dec-24	Mar-25
Net Operating Income	363.61	382.64	385.58	388.75	460.99
Growth Rate	2.02%	5.23%	0.77%	0.82%	18.58%
Operating Expenses	175.87	181.38	190.69	188.79	206.82
Growth Rate	3.97%	3.14%	5.13%	-1.00%	9.55%

# CRDB BANK PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING MARCH 2025

## BALANCE SHEET STATEMENT ANALYSIS

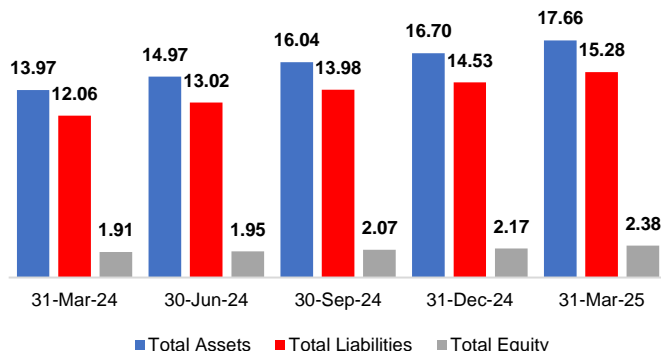
Total assets increased by 5.77% during the quarter ending March 2025, reaching TZS 17.66 trillion in value.

### Key Drivers:

Customer loans grew by 5.62% QoQ to TZS 10.95 trillion in Q1'25, reflecting a recovery in credit demand across the banking sector compared to the muted appetite seen at the end of the previous year. The bank also increased its Fixed Income investments by 11% to TZS 2.29 trillion to increase its earning assets portfolio, while overnight lending surged by 97.71% QoQ to TZS 407.53 billion to capitalize on higher money market rates and support sector-wide liquidity needs.

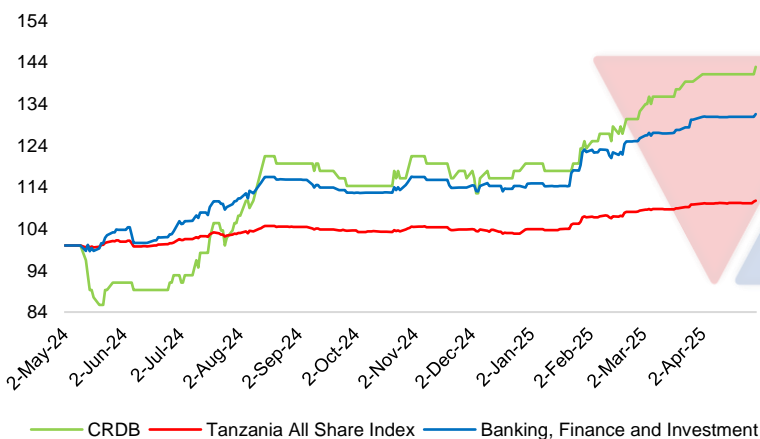
Balance sheet growth was funded by a 8.86% QoQ growth in deposits amounting to TZS 11.94 billion as well as the profits made during the quarter

### Balance Sheet Highlights in Trillions TZS



## INVESTORS' CORNER

CRDB Bank VS TSI & BI 52-Weeks Returns rebased at 100



### Supporting Fundamentals

Ticker	CRDB
Closing Price as of 30 <sup>th</sup> April 2025	TZS 800
Book Value per Share	TZS 910.71
P/B Ratio	0.88x
Trailing EPS	TZS 228.71
P/E Ratio	3.50x
ROE	25.11%
ROA	3.38%

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

## OUTLOOK

CRDB's Q1'25 profits have grown 36.01% YoY amounting to TZS 173.41 billion, following exceptional growth from its foreign currency dealings income which posted 119.33% YoY growth amounting to TZS 51.63 billion as of March 2025 while this remains an impressive feat that was accomplished by the bank's treasury management but also in large part due to increased demand for foreign currency deposits from customers and the depreciation of the TZS against hard currencies during Q1'25.

However, this growth masks out other broad-based challenges such as rising interest expense growth in comparison to interest income due to a high cost of funds environment and rising loan impairment charges as the bank's non-performing loan stock rises in its second consecutive quarter by 18.65% amounting to TZS 367.57 billion which if left unchecked could slowdown net interest income growth.

Regardless provided that the foreign currency dealing environment remains favorable we anticipate most of CRDB's earnings growth to be spearheaded by this revenue segment coupled by the fact that this would be relative to the bank's 2024 performance which acts as an easy base for growth comparison in this revenue segment given its underperformance in the year prior. This growth could be further supported by increased interest income as demand for credit from the private sector continues to pick up momentum from its December low as well as fees and commissions from increased uptake of its digital products, agency banking, increased non-banking initiatives such as insurance, trade financing via letter of credit following continued implementation of its medium-term strategy EVOLVE.

Nonetheless its also worth addressing the likely headwinds that continue to impede CRDB's growth particularly in the form of high costs of funds especially after the Central Bank continues to implement a less accommodative monetary policy which could continue to keep, overnight lending rates from the Interbank Cash Market elevated in an already challenging environment where deposit mobilization is tough.

# CRDB BANK PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING MARCH 2025

## RATIO ANALYSIS

<b>Bank Ratios:</b>	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1
<b>Capital Structure:</b>								
Borrowings to Equity	134.83%	130.49%	125.18%	112.56%	131.52%	158.58%	139.57%	123.45%
Equity Multiplier	8.42	7.92	7.48	7.32	7.69	7.76	7.68	7.43
Equity to Assets Ratio	11.87%	12.62%	13.37%	13.66%	13.00%	12.89%	13.01%	13.47%
<b>Asset Quality:</b>								
NPL Ratio	2.72%	3.42%	2.79%	3.19%	3.16%	2.61%	2.89%	3.20%
NPL Coverage Ratio	114.04%	56.25%	50.79%	36.96%	34.94%	43.30%	46.26%	40.38%
Cost of Risk	0.64%	0.77%	0.20%	0.81%	0.95%	1.14%	0.88%	1.28%
<b>Management Quality:</b>								
Loan Growth	6.59%	5.94%	3.97%	4.88%	7.14%	6.32%	2.69%	5.62%
Deposit Growth	5.45%	-0.91%	2.04%	7.03%	6.37%	2.16%	6.46%	8.86%
Earning to Total Assets	85.20%	88.40%	85.70%	84.90%	86.90%	85.70%	81.40%	83.90%
<b>Earnings Quality:</b>								
Net Profit Margin	30.95%	31.87%	39.93%	35.07%	38.54%	34.73%	36.50%	37.62%
Net Profit Growth	-0.49%	11.91%	41.68%	-10.42%	15.67%	-9.20%	5.97%	22.20%
Cost to Income Ratio	52.18%	50.95%	46.90%	46.07%	44.75%	45.97%	45.85%	41.66%
<b>Liquidity:</b>								
Loan to Deposit Ratio	93.10%	98.30%	99.00%	98.20%	98.60%	100.10%	96.80%	93.80%
Loans to Deposits & Borrowings	71.19%	75.32%	76.15%	76.16%	75.04%	74.27%	74.00%	73.56%
Liquid to Total Assets	32.10%	29.71%	26.41%	26.65%	27.20%	30.04%	29.29%	29.13%

*Quarterly Revenue and Profit Data has been annualized*

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