CRDB BANK PLC

The Bank that Listens

About Us

- CRDB Bank Plc is a leading, wholly-owned private commercial bank in Tanzania offering a comprehensive range of Corporate, Retail, Treasury, Premier and Microfinance Services.

- The Bank was established in 1996 and has grown and prospered over the years to become the most innovative, first choice, and trusted bank in the country.

- CRDB Bank was listed on the Dar es Salaam Stock Exchange on 17th June, 2009.

Vision and Mission

Vision:

To be the leading Bank, which is customer need driven with competitive returns to shareholders.

Mission

To provide competitive and innovative financial products and services leveraging technology to achieve distinctive customer experience. We strive to create value for stakeholders and the society.

Economic outlook

Global Economy

- Global economic activity for 2016 is projected at 3.4 percent, 0.3 percentage point higher than 2015, which was 3.1 percent.
- Global economic activity is projected to gather some pace in 2017 with a growth of 3.6 percent.
- Growth in *sub-Saharan Africa* in 2015 was 3.8 percent and is expected to increase to 4.0 percent in 2016.

Tanzania economy

- **The real GDP** will continue to expand at 7.4 percent in 2015 and projected at 7.2 percent in 2016.
- The Annual Headline Inflation rate for the month of December 2015 has increased to **6.8**% from 4.8% recorded in December 2014.
- Shilling has continued to stabilize at levels of 2100/2200 following the inflows from export of commodities.

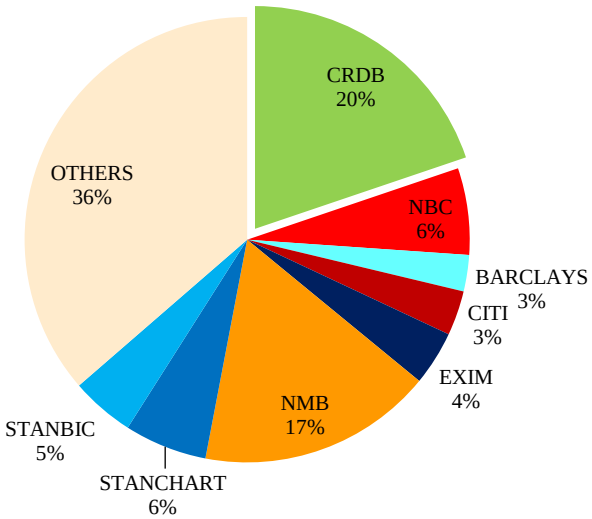
Industry and Performance – For the period ending December 2015

- The overall lending rate in December remained at 16.00 % same as of December 2014.

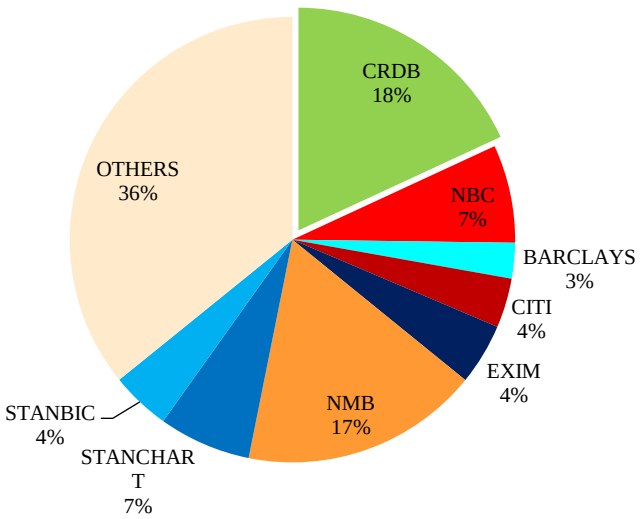
MARKET SHARE- TOTAL ASSETS & TOTAL DEPOSITS

Total Assets

Dec. 2015

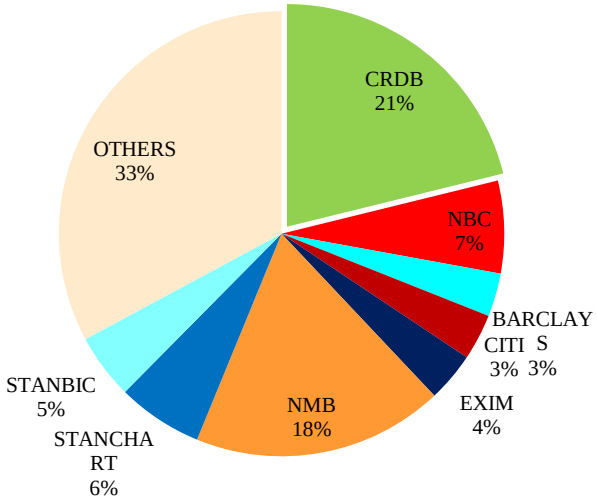


Dec. 2014

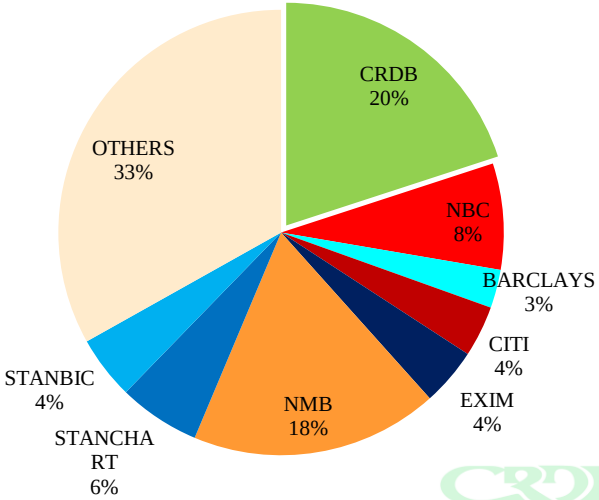


Total Deposits

Dec. 2015



Dec. 2014

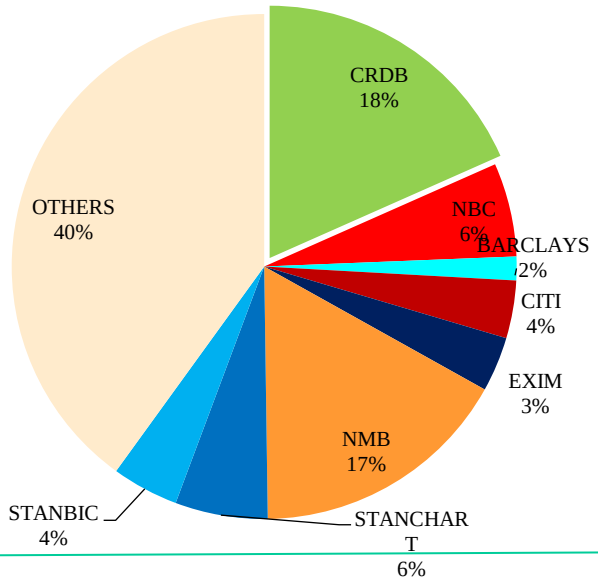


Source: Published Financials, Dec. 2015

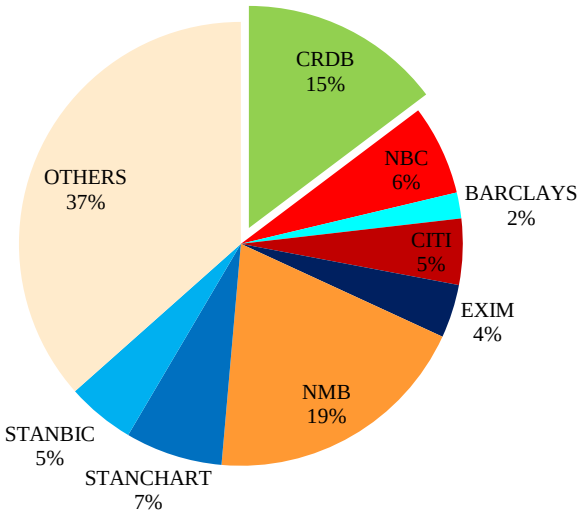
MARKET SHARE - SHAREHOLDERS'FUNDS AND LOANS & ADVANCES

Capital

Dec. 2015

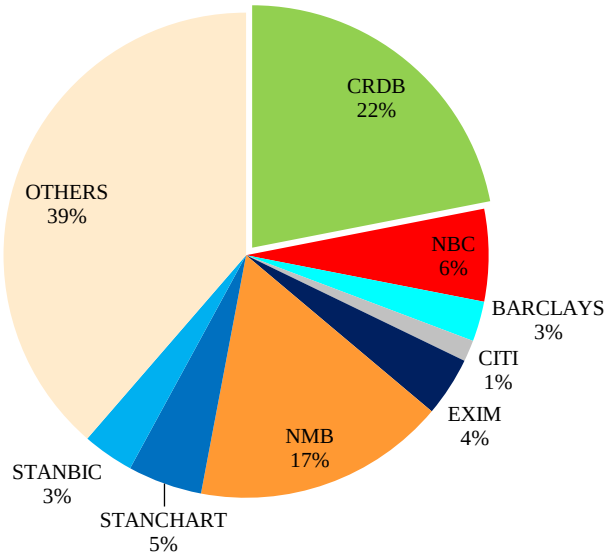


Dec. 2014

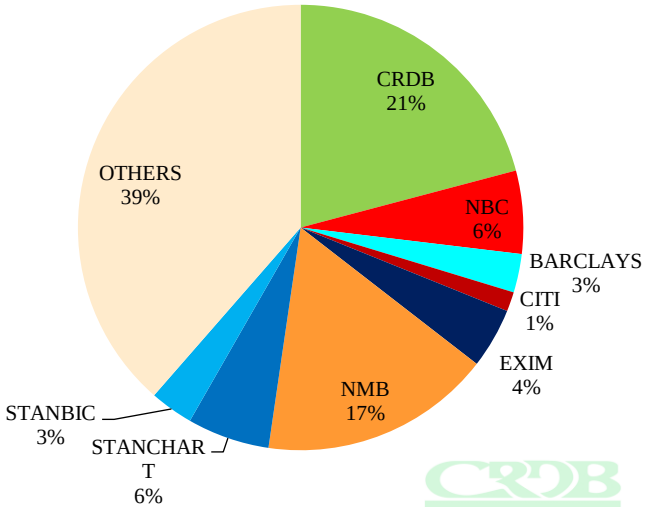


Loans & Advances

Dec. 2015



Dec. 2014



Source: Published Financials, Dec. 2015

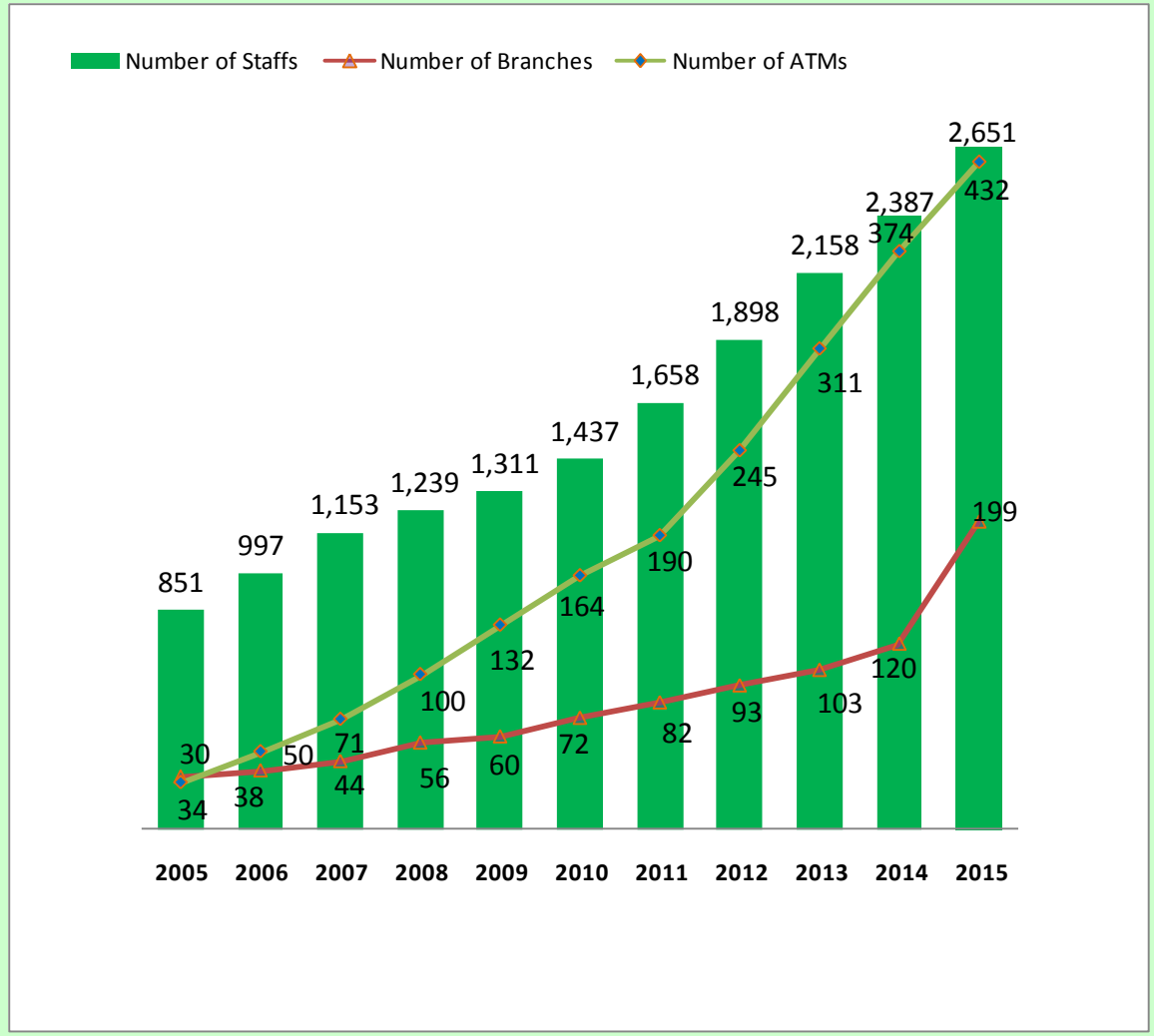
Market

- The Banking Industry continued to be competitive with 56 banks operating in the market, but the market is controlled by 5 Banks led by CRDB.
- Banks continue to introduce innovative products and services such as Internet banking, Mobile banking and cards
  - Expanding with additional physical and e-banking outlets – ATM's, mobile banking, internet banking.
  - Competition for payment system – Debit Cards, prepaid cards, Money transfer and payment system by telecoms i.e. M-Pesa
- 5 banks including CRDB Bank PLC licensed to started Agency banking
  - Agent Banking is expected to enhance accessibility and convenience of banking services to customers.
- Increasing competition for qualified staff.
- Potential for growth expected in – Mortgage finance, Islamic banking, Investment Banking, Agent Banking and micro-finance and insurance.
- New regulations

Bank Financial Performance as at 31st December 2015

CRDB Profile end of December, 2015

- CRDB Bank PLC offers a comprehensive range of Corporate, Retail, Treasury, Premier, Agent banking and microfinance services
- Network footprint of;
  - 199 branches including mobile branches and service centers.
  - 432 ATMs including 18 Depository ATMs,
  - 778 Merchants Network
  - 1,747 Agents (Fahari Huduma)
  - 441 Microfinance partner institutions.
  - 222 E-commerce merchants



Shareholding Structure before and after Rights Issue	31.12.2015 (After rights issue)		30.06.2015 (Before rights issue)	
NAME	**SHARES**	**%**	**SHARES**	**%**
Above 10%				
DANIDA Investment Fund	548,067,648	21.0	467,781,934	21.5
PPF Pension Fund	260,882,095	10.0	217,401,746	10.0
Sub Total	**808,949,743**	**31.0**	**685,183,680**	**31.5**
Above 1% and less than 10%				
Cdc Group Plc / Re:International Finance Corporation / Jpmcb Fbo Africa Capitalization Fund Ltd	130,692,741	5.0	0	0
Mr. Aunali F Rajabali and Sajjad F Rajabali	105,506,395	4.0	60,100,945	2.8
Pinebridge	78,878,880	3.0	65,732,400	3.0
Pictet and CIE A/C General Partners IV Ltd-TZ	64,704,702	2.5	55,082,392	2.5
LAPF Pension Fund	58,077,549	2.2	48,397,958	2.2
Pictet And Cie (Europe) S.A. A/C Blakeney General Partners III Ltd	52,953,203	2.0	47,805,578	2.2
PSPF Pension Fund	37,837,620	1.4	31,531,350	1.4
Hans Macha	32,764,200	1.3	27,303,500	1.3
National Health Insurance Fund	32,040,040	1.2	26,700,034	1.2
Western Zone Tobacco Growers Cooperative Union Ltd	30,000,000	1.1	25,000,000	1.1
CMG Investment Ltd	29,330,971	1.1	24,742,476	1.1
Kimberlite Frontier Master Africa Fund LP RCKM	28,720,830	1.1	-	-
Banque Pictet and CIE SA A/C Blakeney Investors	-	-	21,120,714	1.0
Altree Custody Services Ltd – 008 -Tanzania	-	-	27,013,409	1.2
Lind Development Fund	-	-	21,660,000	1.0
Pictet and Cie SAA A/C Patrick Schegg	-	-	21,230,300	1.0
Sub Total	**681,507,131**	**25.9**	**503,421,056**	**23.1**
Less than 1%				
More than 28,000 shareholders	1,121,381,710	43.1	987,927,424	45.4
Grand Total	**2,611,838,584**	**100.0**	**2,176,532,160**	**100.0**

The Bank successfully raised Tzs. 150 bn. as additional capital from the rights issue which closed in mid July 2015.

Investment Ratio as at 31st December, 2015

Share Performance	As at 31st Dec. 2015	As at 31st Dec. 2014
Market Price Closing	TZS 405	TZS 430
Earning per share (EPS)	53.3	43.9
Price Earning Ratio (P/E)	7.6	9.8
Book Value (BV)	267.5	203.0
Price book value ratio (P/B)	1.5	2.0
Market Capitalisation (TZS billions)	1,057.8	935.9
Foreign Holding (%)	22.0	19.6

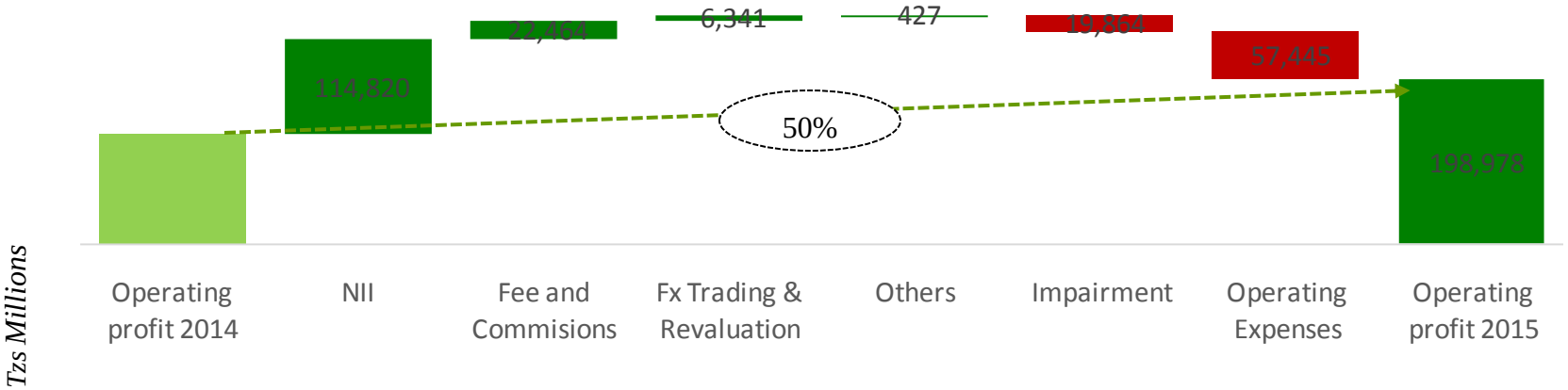
(TZS Billion)	Dec. 2015	Dec. 2014	% Change	Industry
Interest Income	499.8	371.7	34% ↑	16%
Interest Expenses	108.8	95.5	14% ↑	18%
Net Interest Income	390.9	276.2	42% ↑	15%
Net Fees and commissions	143.9	121.4	19% ↑	13%
Net Foreign Exchange Income	35.7	29.3	22% ↑	39%
Operating Expenses	315.6	258.1	22% ↑	18%
Profit Before Tax	**198.9**	**132.2**	**50% ↑**	**15%**
Loans & Advances to Customers	3,309.6	2,545.2	30% ↑	24%
Customer Deposits	4,236.4	3,390.2	25% ↑	17%
Shareholder Equity	701.5	441.1	59% ↑	27%
Total Assets	**5,436.7**	**4,210.1**	**29% ↑**	**20%**
Return on Avg. Assets	4.1%	3.6% ↑		
Return on Avg. Equity	24.4%	25.2% ↓		
NPL/Total Loans	6.6%	5.0% ↑		

Note: Total Assets for the Group closed at 5 trillion for the first time

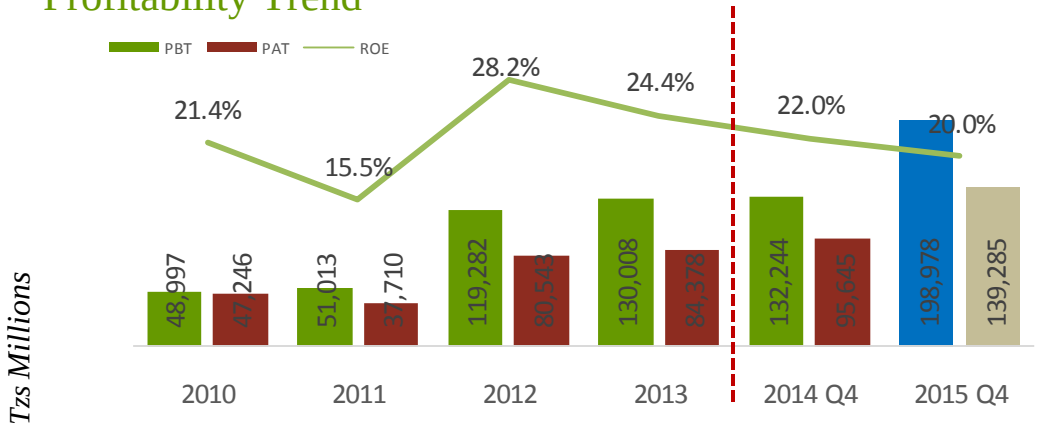
Profitability

Operating Profit Grew 50% YoY

NII and other income coupled with operating efficiencies supported the overall profit growth



Profitability Trend



- YoY growth of 50%
- Mainly contributed by increase in NII and fees and commissions.
- ROE recorded decrease due to additional capital of about TZS 150bn.
- Cost to income ratio as at Dec. 2015 was 54%.

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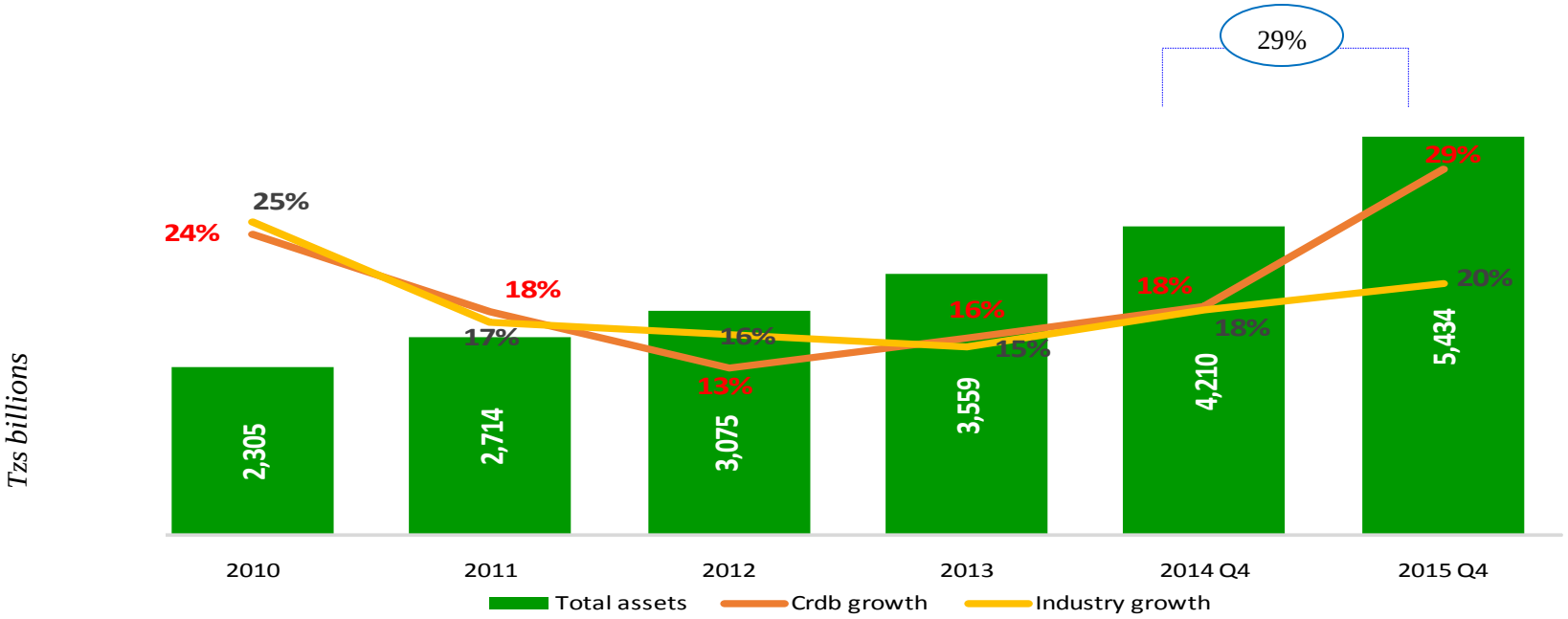
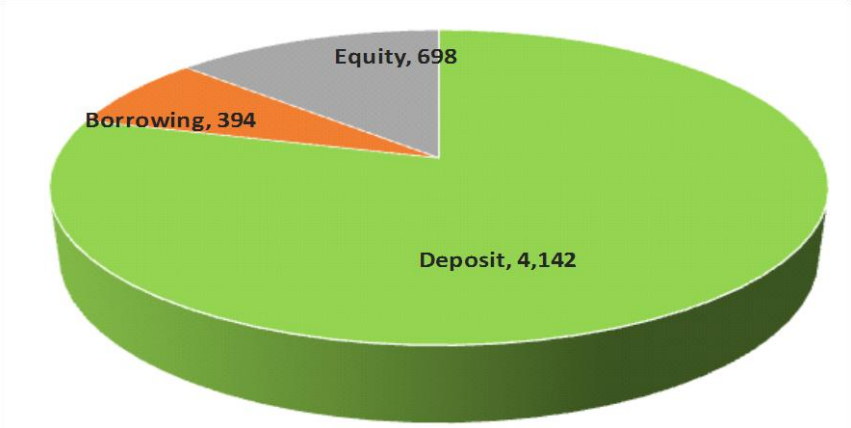
Financial Position

Stead Balance Sheet Growth



Key sources of funding – Tzs billions



- Customer Deposits Accounts for 80% of total Funding in the Balance Sheet.
- Borrowing includes subordinated debt 87.3bn,other borrowings 206.9 bn.

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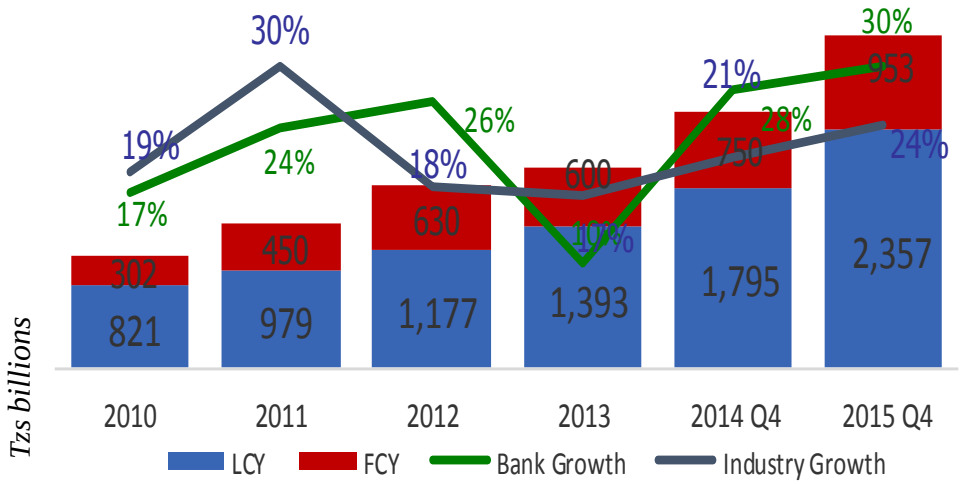
Loans and Advances

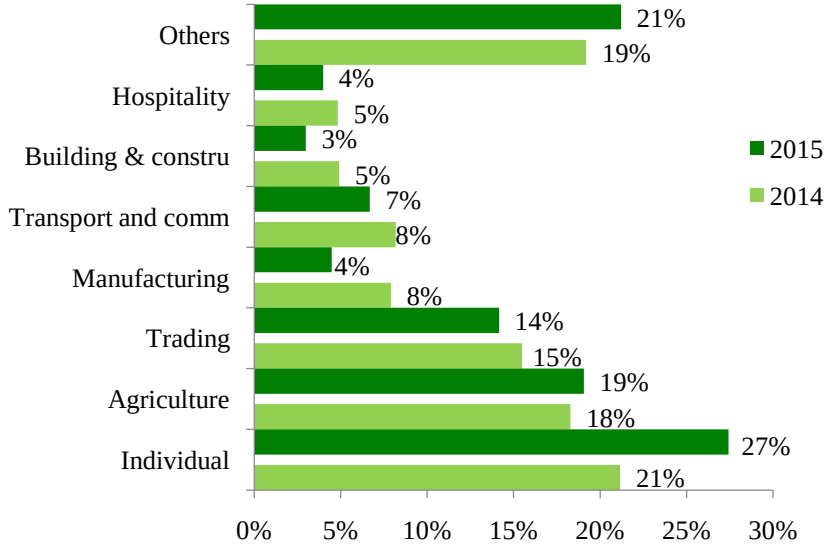
Steady Growth in Loan and Advances.

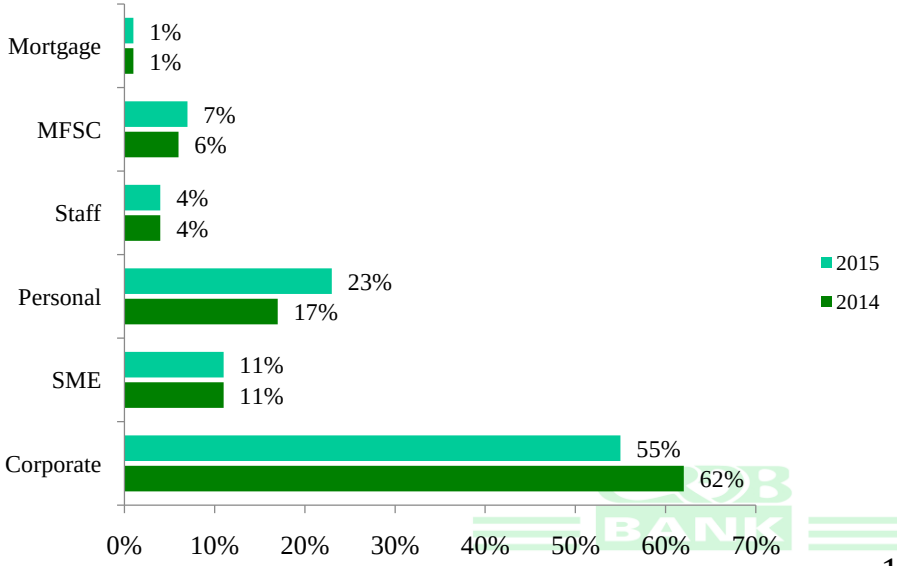
Loans and advances growth and contribution by key segments as at December 2015



- YoY Loan growth 30% above industry 24%.
- 29% of the total Loan is held in Foreign Currency.
- FX Loans grew by 27% mainly due to TZS depreciation against USD by 29%.
- Remarkable growth in retail segment counting for 41% of total loan portfolio (2014 – Q3 was 36%)

Portfolio diversification among sectors and segments

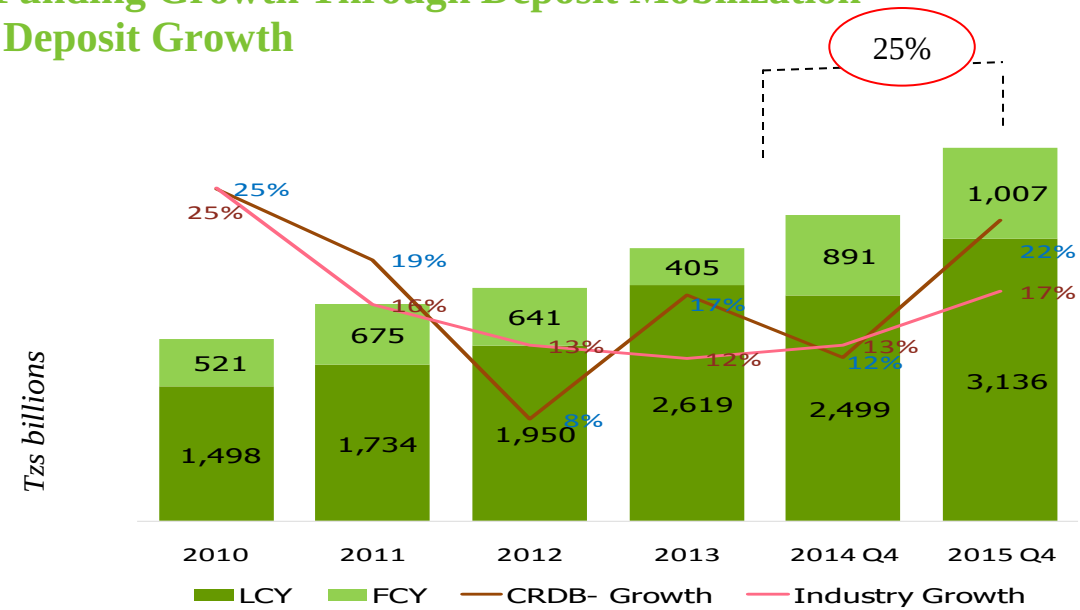


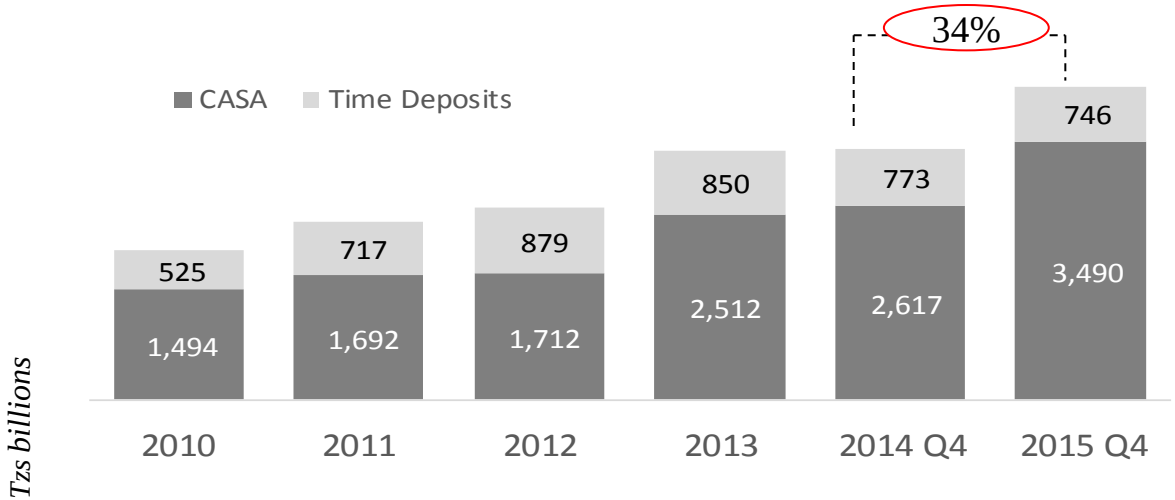


Customer Deposits

Funding Growth Through Deposit Mobilization

Deposit Growth

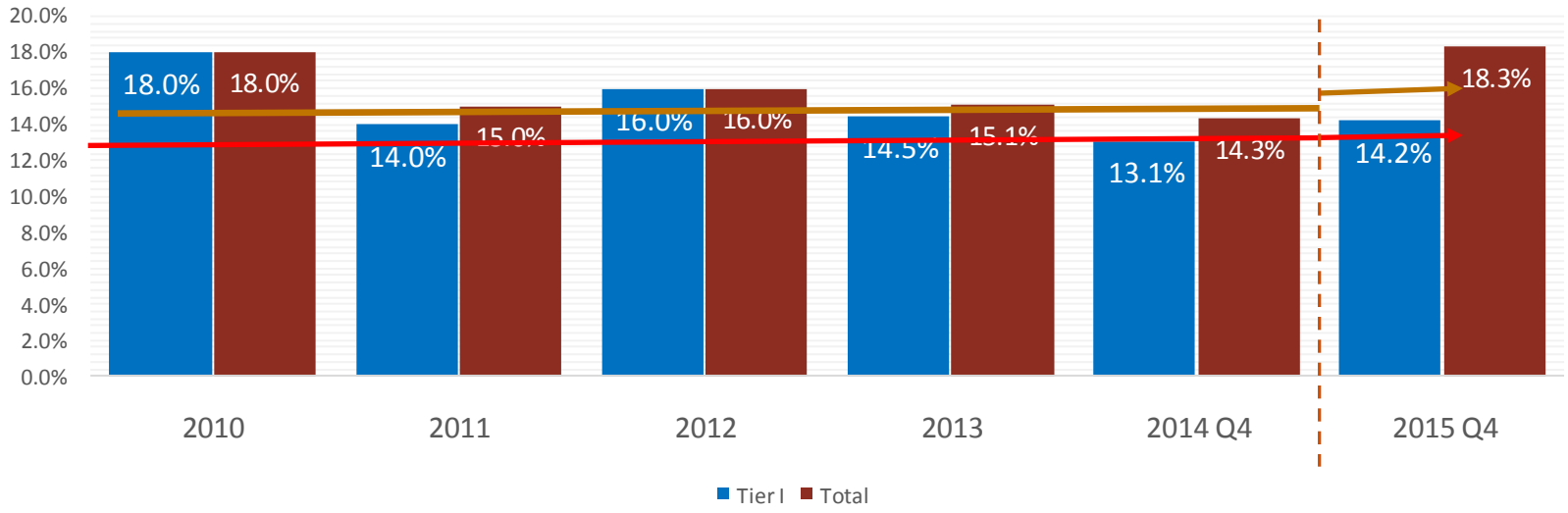




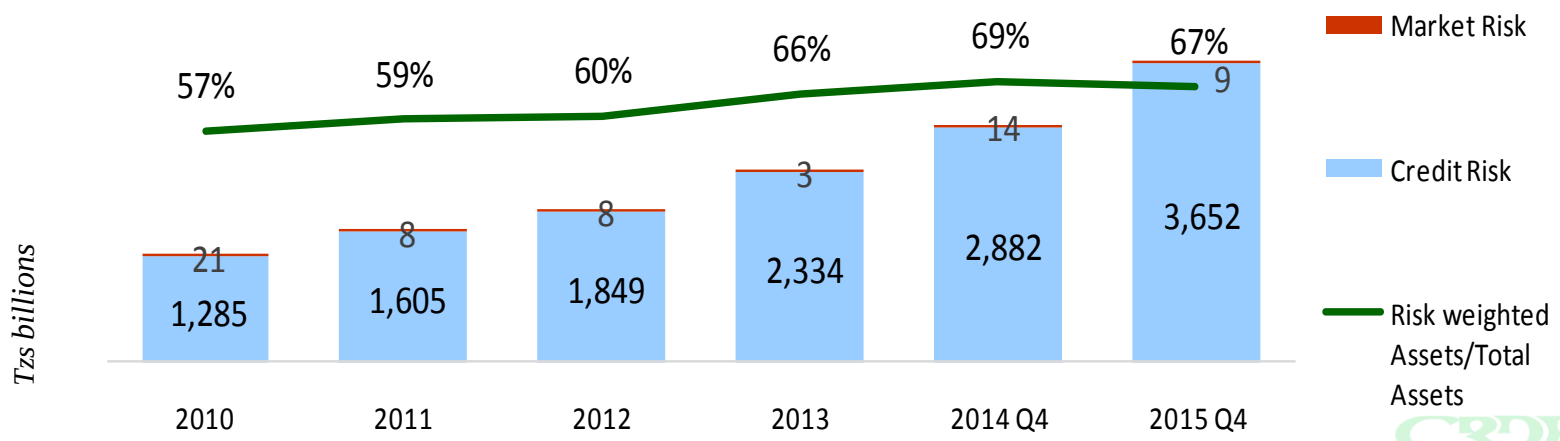
- YoY Deposit growth 25%
- Mainly from growth in Bank network, Agency and Government business and customer convenience.
- 25% of the total deposits are held in Foreign Currency.
- Foreign Currency deposits grow by 23% mainly resulting from TZS deprecation against USD.

- Low cost CASA base grew to 82% of total deposits with YoY growth of 34%.

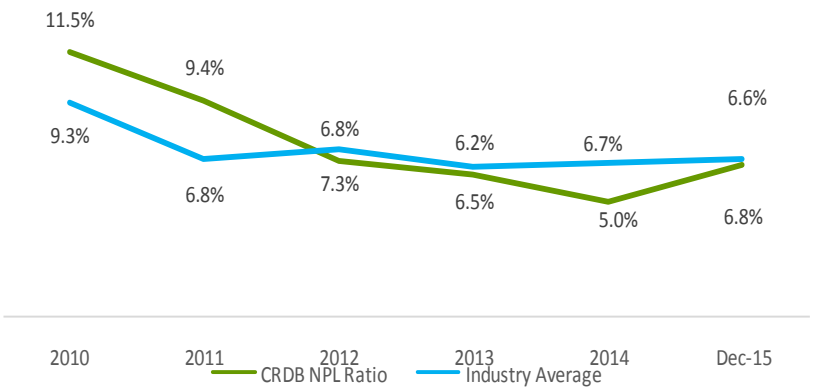
Capital adequacy ratio

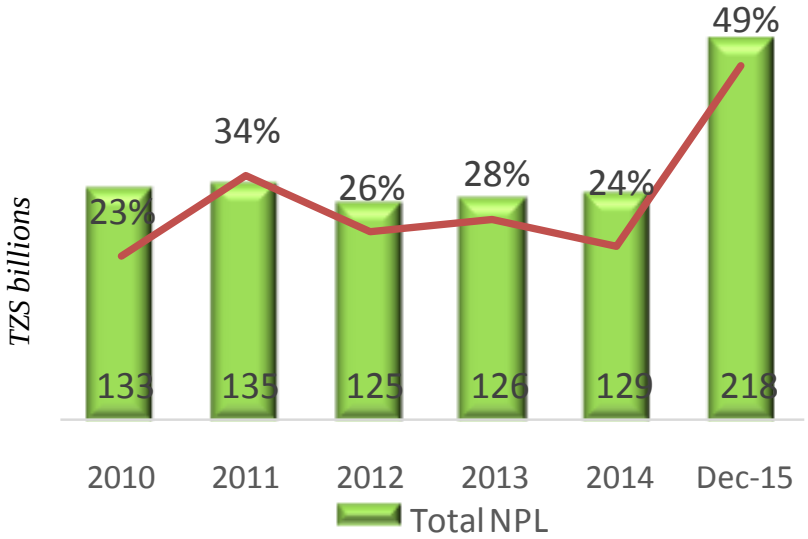


Risk weighted assets

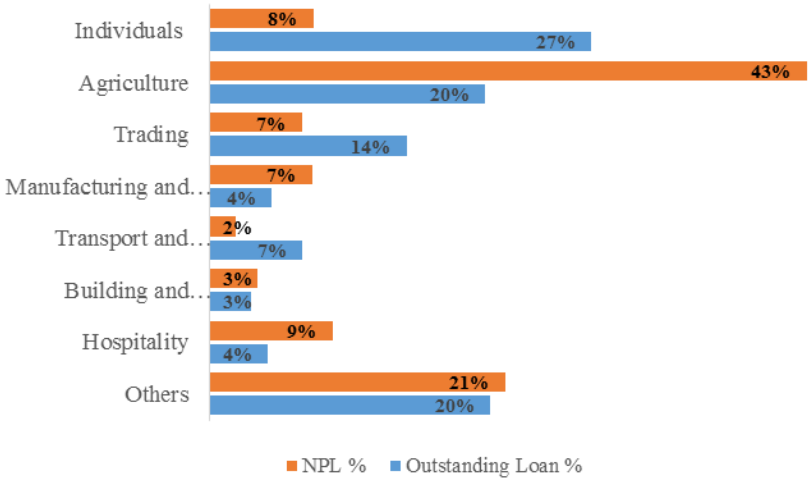


Non performing Loans and Provisions

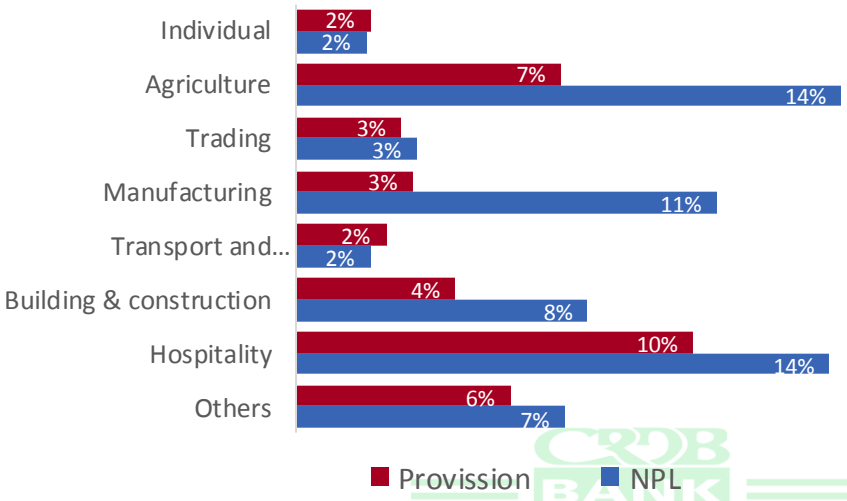




Sector Loan book and NPL - Dec. 2015



Sector NPL and Provision as at Dec. 2015



CRDB Bank Plc Subsidiaries

1. CRDB Microfinance Services Company Limited

- The Bank offers MFIs products through its subsidiary by partnering Microfinance institutions (MFIs) which are mainly SACCOS.
- Provides financial products - microfinance loans, mobilise deposits from partner MFIs on behalf of the parent company, insurance products and services, information and communication technology solutions and support.
- The number of partner MFIs were 441 in Dec. 2015.
- Total loans extended by the Bank to these institutions at the end of December 2015 stood at TZS 221 billion.
- The subsidiary made a profit of TZS 5.8 billion from TZS 4.9 billion in 2014, which is a growth of 16%.

2. CRDB Bank Burundi S.A.

- The Bank also has a subsidiary in Burundi, "*CRDB Bank Burundi S.A*" and up to Dec. 2015, the subsidiary has managed to opened three branches in Bujumbura.
- The subsidiary recorded a profit of TZS 1,064 million compared to 3,578 million loss recorded in 2014 despite of security instability in the country. The subsidiary was able to breakeven.
- The subsidiary total assets as at 31st December 2015 grew to TZS 154 billion from TZS104 billion in 2014.
- Total deposits was TZS 60,363 million compared to TZS 28,894 million in 2014.

STRATEGIC FOCUS FOR 2016

For the past years, the Bank has been focusing on expanding its distribution channels through opening of new outlets (mainly Government centres and Microfinance service centres) and in alternative channels. Such investments needed to bring returns and contribute to the profitability of the Bank. In addition to this, the Bank conducted business process improvement with the aim of improving its customer service while also achieving operational excellence.

Focus will therefore be on optimization of investments made and attain operation excellence.

Thank You