

## Executive Summary

Transformative 5-Year Growth: Over 2020–2025, CRDB Bank evolved from a traditional Tanzanian lender into a high-growth, efficient regional franchise. Profit after tax has surged more than fivefold (from ~TZS 100 billion in 2020 to over TZS 700 billion in 2025), and return on equity (ROE) climbed from the mid-teens to nearly 30%.

CRDB today is the largest bank in Tanzania (26% asset share) with a diversified customer base of ~6.4 million and a growing regional footprint (Burundi and DRC). Its robust earnings growth and superior ROE ~28 to 30% support the case for a long-term core holding. Continued expansion and innovation (e.g. digital channels, Islamic banking products) underpin a strong growth outlook into 2030.

## Business Overview

CRDB Bank Plc enters 2026 in a position of strength. It has a rapidly growing customer base and the largest distribution network in Tanzania, complemented by an accelerating digital banking ecosystem. All key business segments in retail, SME, and corporate are contributing to solid financial performance.

The Bank's regional diversification is progressing well, with Burundi profitable and expanding, and the DRC subsidiary gaining traction with strategic support.

CRDB's innovative product rollouts (from digital loans to the landmark Sukuk) and its pioneering sustainability initiatives (green bonds, SME programs) have not only opened new funding channels but also elevated its brand globally. Management's five-year "EVOLVE 2023–27" strategy focuses on continued growth, digital transformation, and regional expansion.

## CRDB Bank PLC – 2025 Financial Highlights

All values in TZS millions unless noted

### Profitability

Net Income	724,608
Total Operating Income	2,065,171
Return on Average Equity	29.30%
Return on Average Assets	5.30%
Cost-to-Income Ratio	42.60%

### Balance Sheet

Total Assets	22,215,802
Loan Portfolio (Net)	13,740,050
Customer Deposits	14,678,483
Shareholders' Equity	2,781,805

### Key Ratio

Loan-to-Deposit Ratio	96.90%
Equity-to-Assets Ratio	12.50%
Net Interest Margin	6.20%

### Per Share

Earnings Per Share (EPS)	277
Book Value Per Share (BVPS)	1,065
Expected Dividend Per Share (DVPS)	90

Source: CRDB Website, Kadoo Research Calculations Table 1

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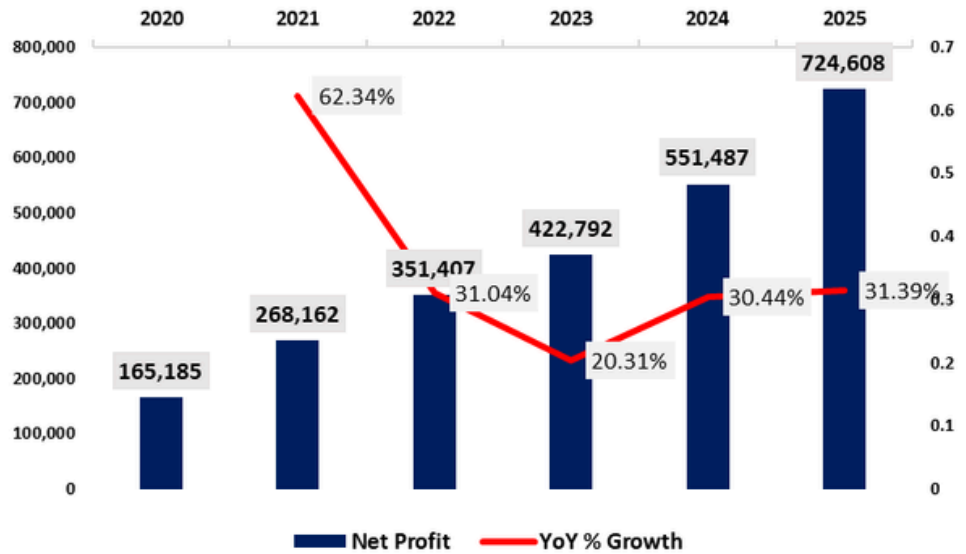
## Financial Performance

### Highlights:

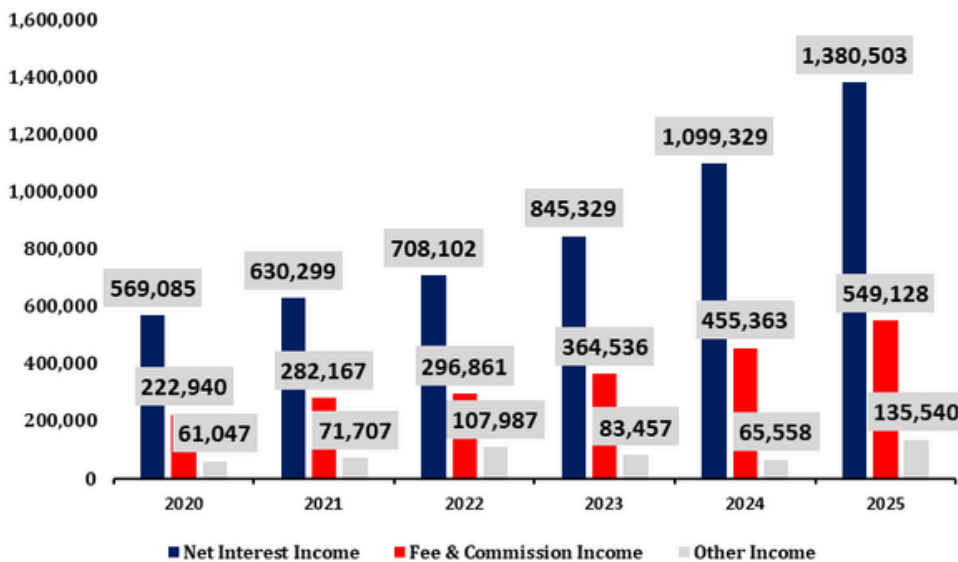
- Record Net Profit:** TZS 724.6B in 2025, up 31.4% YoY.
- Strong Operating Income:** TZS 2.07T, up 27.5% YoY.
- High Returns Maintained:** ROE at 26.0% and ROA at 3.3%.
- Cost Efficiency:** Cost-to-Income Ratio improved to 42.6%.
- Solid Shareholder Returns:** EPS of TZS 277, with an expectation of 90 TZS DPS.

### Profitability (TZS M)

CRDB Bank has delivered exceptional earnings momentum, with net profit rising from TZS 165B in 2020 to TZS 725B in 2025. While YoY growth moderated from the post-COVID rebound of 62% in 2021 to a more sustainable 30% range, profitability continues to reflect strong loan growth, improved cost efficiency, and scaling digital channels.



### Revenue Composition (TZS M)



Source: CRDB Website, Kadoo Research Calculations

Revenue growth was led by strong Net Interest Income, driven by loan book expansion and improving margins. Fee income rebounded sharply on rising digital transactions, while Other Income remained volatile due to trading and forex fluctuations.

The consistent rise in Net Interest Income reflects CRDB's strategic asset mix shift toward higher-yielding SME and retail lending, alongside effective liability management. The 2025 jump in Fee & Commission Income also signals improved monetization of digital platforms and recovery in trade finance flows. Meanwhile, the softness in Other Income during 2023–24 suggests reduced non-core earnings, but its rebound in 2025 may point to revitalized treasury operations and regional FX activity.

**Table showing CRDB's Revenue Composition (2020 -2025) TZS M**

Revenue Comp	2020	2021	2022	2023	2024	2025
<b>Net Interest Income</b>	569,085	630,299	708,102	845,329	1,099,329	1,380,503
<b>Fee &amp; Commission Income</b>	222,940	282,167	296,861	364,536	455,363	549,128
<b>Other Income</b>	61,047	71,707	107,987	83,457	65,558	135,540
<b>Total Operating Income</b>	853,072	984,173	1,112,950	1,293,322	1,620,250	2,065,171
Composition (%)	2020	2021	2022	2023	2024	2025
<b>Net Interest Income</b>	66.70%	64.00%	63.60%	65.40%	67.80%	66.80%
<b>Fee &amp; Commission Income</b>	26.10%	28.70%	26.70%	28.20%	28.10%	26.60%
<b>Other Income</b>	7.20%	7.30%	9.70%	6.50%	4.00%	6.60%
YoY Growth(%)		2021	2022	2023	2024	2025
<b>Net Interest Income</b>		10.80%	12.30%	19.40%	30.00%	25.60%
<b>Fee &amp; Commission Income</b>		26.60%	5.20%	22.80%	24.90%	20.60%
<b>Other Income</b>		17.50%	50.60%	-22.70%	-21.40%	106.70%
<b>Total Operating Income</b>		15.40%	13.10%	16.20%	25.30%	27.50%

Source: CRDB Website, Kadoo Research Calculations - Table 2

## Balance Sheet Health

### Highlights:

**Total Assets:** Reached TZS 22.2T.

**Loan Book:** Loans & Advances (Net) grew 36.6% YoY to TZS 13.7T

**Customer Deposits:** Increased to TZS 14.7T.

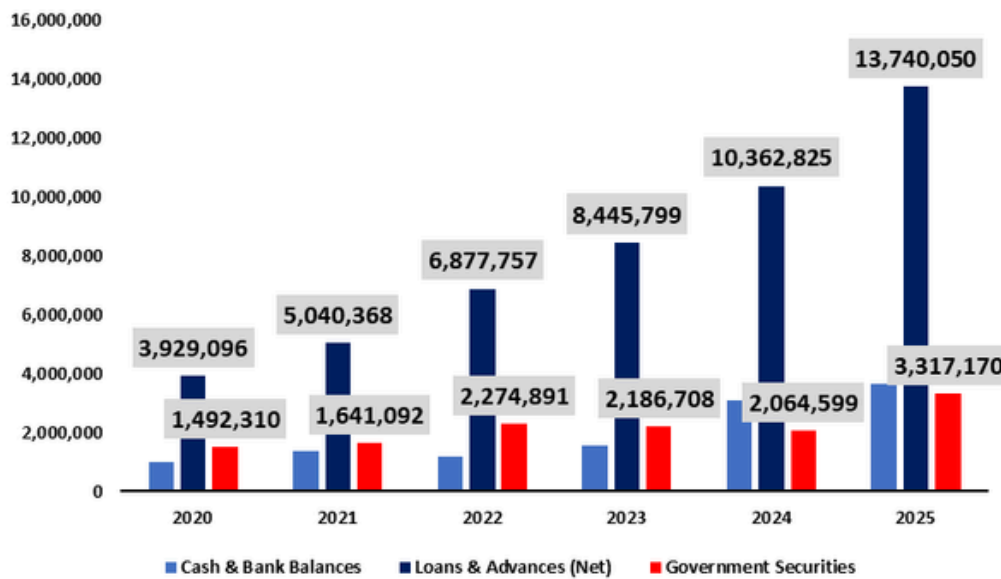
**Loan-to-Deposit Ratio:** Rose to 93.6%, indicating an efficient use of deposits to fund lending operations.

**Capitalization:** Shareholders' equity grew by 28.6% YoY.

**Asset Quality:** NPL coverage improved to 55.9%, reflecting better risk buffers.

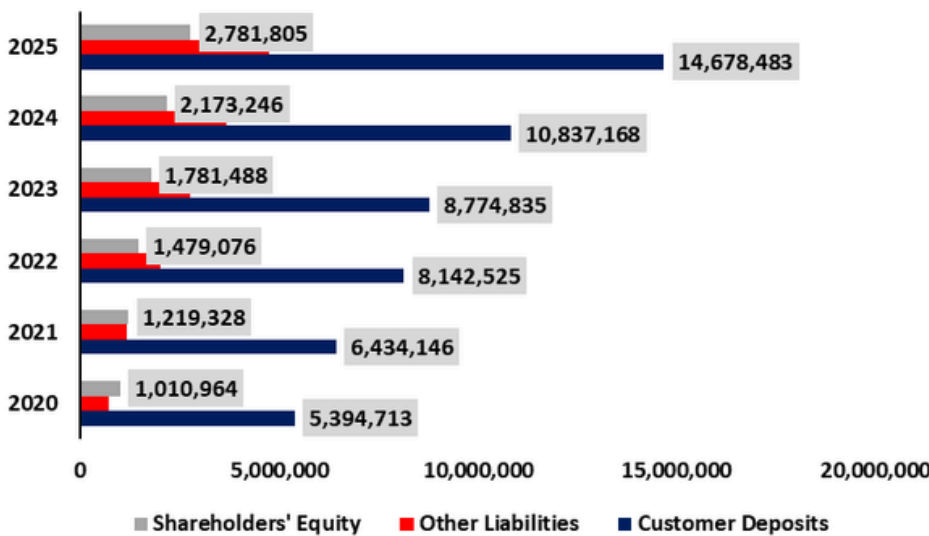
### Asset Composition(TZS M)

CRDB’s asset structure in 2025 reflects a clear shift toward core lending activities, with net loans and advances rising to 61.8% of total assets, up from 52.7% in 2021. This highlights the bank’s strategic focus on deepening credit penetration across retail, SME, and corporate segments. While cash & bank balances increased to 15.5%, supporting liquidity buffers, exposure to government securities moderated slightly to 13.9%, indicating a reallocation from low-yield investments to higher-margin loans. The asset mix points to a risk-optimized yet growth-oriented strategy aligned with the bank’s regional expansion and digital lending initiatives.



Source: CRDB Website, Kadoo Research

### Funding Composition(TZS M)



Source: CRDB Website, Kadoo Research

year-to-year breakdown highlighting the Book Value Per Share (BVPS) trend:

trend:

2020: TZS 387

2021: TZS 467

2022: TZS 566

2023: TZS 682

2024: TZS 832

2025: TZS 1,065

Table Showing a Summary of Balance Sheet Composition

TZ\$ M	2020	2021	2022	2023	2024	2025
<b>Total Assets</b>	7,170,472	8,817,559	11,636,557	13,321,289	16,698,751	22,215,802
<b>Loans &amp; Advances (Net)</b>	3,929,096	5,040,368	6,877,757	8,445,799	10,362,825	13,740,050
<b>Customer Deposits</b>	5,394,713	6,434,146	8,142,525	8,774,835	10,837,168	14,678,483
<b>Shareholders' Equity</b>	1,010,964	1,219,328	1,479,076	1,781,488	2,173,246	2,781,805
<b>Loan-to-Deposit Ratio</b>	72.80%	78.30%	84.50%	96.30%	95.60%	93.60%
<b>NPL Ratio</b>	4.40%	3.40%	2.90%	2.90%	3.00%	3.00%
<b>NPL Coverage Ratio</b>	82.00%	77.00%	80.10%	50.40%	46.30%	55.90%
<b>Total Assets Growth (YoY)</b>		23.00%	32.00%	14.50%	25.40%	33.00%

Source: CRDB Website, Kadoo Research Calculations - Table 3

## Valuation Analysis

### Relative Valuation Peer Comparison

Bank	Country	P/E Ratio	P/B Ratio
<b>NMB Bank</b>	Tanzania	6.89	1.67
<b>CRDB Bank</b>	Tanzania	7.4	1.92
<b>KCB Group</b>	Kenya	3.48	0.68
<b>Equity Group</b>	Kenya	4.31	0.84
<b>NCBA Group</b>	Kenya	6.57	1.26
<b>Co-op Bank</b>	Kenya	5.89	0.99
<b>Zenith Bank</b>	Nigeria	2.85	0.62
<b>GTCO (GTBank)</b>	Nigeria	5.1	0.93
<b>Absa Group</b>	South Africa	9.22	1.12
<b>Standard Bank</b>	Malawi	10.8	3.7

Source: Kadoo Research - Table 4

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**Peer Statistics**

Metric	P/E Ratio	P/B Ratio
<b>Mean</b>	6.25	1.37
<b>Median</b>	6.23	1.06
<b>Minimum</b>	2.85	0.62
<b>Maximum</b>	10.8	3.7

Source: Kadoo Research – Table 5

**Forward Looking Valuation**

Method	Forward Multiple
<b>Forward P/E – Peer Mean</b>	5.17
<b>Forward P/E – Peer Median</b>	4.8

**Blended Forward Valuation**

Method	Value (TZS)	Weight
<b>Forward Valuation</b>	1,924.85	50%
<b>DDM Intrinsic Value</b>	2,641.69	50%
<b>Blended Forward Fair Value</b>	<b>2,283.27</b>	

Source: Kadoo Research – Table 6

**Recommendation:** HOLD with Accumulate on Dips

We recommend a HOLD rating on CRDB Bank Plc, with a bias to accumulate on price dips. CRDB's strong fundamentals highlighted by record net income, improving cost efficiency, and robust asset growth are largely reflected in its current valuation.

Trading at a P/E of 7.4x and P/B of 1.92x, the stock sits near regional median multiples, suggesting a fair valuation.

However, with a forward blended valuation of TZS 2,281.77, there remains modest upside potential. Continued delivery on high-quality earnings, digital expansion, and regional scaling could serve as catalysts for rerating.

Investors are advised to accumulate during market pullbacks, particularly if valuation compresses below 1.0x P/B or 6.5x P/E, offering a favorable risk-reward entry.

## CRDB Bank PLC – CAMELS

Table Showing CRDB's Banking Ratios (All values in TZS millions unless noted)

	2020	2021	2022	2023	2024	2025
<b>C – CAPITAL ADEQUACY</b>						
<b>Total Equity</b>	1,010,964	1,219,328	1,479,076	1,781,488	2,173,246	2,781,805
<b>Total Assets</b>	7,170,472	8,817,559	11,636,557	13,321,289	16,698,751	22,215,802
<b>Equity / Total Assets</b>	14.10%	13.80%	12.70%	13.40%	13.00%	12.50%
<b>Equity Multiplier (Assets/Equity)</b>	7.1x	7.2x	7.9x	7.5x	7.7x	8.0x
<b>A – ASSET QUALITY</b>						
<b>Net Loans</b>	3,929,096	5,040,368	6,877,757	8,445,799	10,362,825	13,740,050
<b>Impairment Losses on Loans</b>	74,462	25,635	65,145	54,143	97,257	148,733
<b>Loan Loss Provision / Loans</b>	1.90%	0.50%	0.90%	0.60%	0.90%	1.10%
<b>Loans / Total Assets</b>	54.80%	57.20%	59.10%	63.40%	62.10%	61.80%
<b>NPL Ratio</b>	4.40%	3.40%	2.90%	2.90%	3.00%	3.00%
<b>Non-Performing Loans</b>	178,624	175,090	206,410	245,753	310,092	419,473
<b>Loan Loss Reserve</b>	146,508	134,894	165,344	123,963	143,445	234,560
<b>NPL Coverage Ratio</b>	82.00%	77.00%	80.10%	50.40%	46.30%	55.90%
<b>M – MANAGEMENT QUALITY</b>						
<b>Net Interest Income</b>	569,085	630,299	708,102	845,329	1,099,329	1,380,503
<b>Non-Interest Income</b>	283,987	353,874	404,848	447,993	520,921	684,668
<b>Total Operating Income</b>	853,072	984,173	1,112,950	1,293,322	1,620,250	2,065,171
<b>Non-Interest Expense</b>	542,440	571,171	550,096	640,528	744,197	880,602
<b>Cost-to-Income Ratio</b>	63.60%	58.00%	49.40%	49.50%	45.90%	42.60%

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## E – EARNINGS

<b>Net Income</b>	165,185	268,162	351,407	422,792	551,487	724,608
<b>Return on Assets (ROA)</b>	2.30%	3.00%	3.00%	3.20%	3.30%	3.30%
<b>Return on Equity (ROE)</b>	16.30%	22.00%	23.80%	23.70%	25.40%	26.00%
<b>Net Interest Margin (NIM)</b>	7.90%	7.10%	6.10%	6.30%	6.60%	6.20%
<b>Operating/Income Margin</b>	36.40%	42.00%	50.60%	50.50%	54.10%	57.40%

## L – LIQUIDITY

<b>Customer Deposits</b>	5,394,713	6,434,146	8,142,525	8,774,835	10,837,168	14,678,483
<b>Cash &amp; Equivalents</b>	1,010,275	1,381,164	1,169,477	1,539,581	3,089,244	3,649,638
<b>Government Securities</b>	1,492,310	1,641,092	2,274,891	2,186,708	2,064,599	3,317,170
<b>Liquid Assets (Cash + Govt Sec)</b>	2,502,585	3,022,256	3,444,368	3,726,289	5,153,843	6,966,808
<b>Loan-to-Deposit Ratio</b>	72.80%	78.30%	84.50%	96.30%	95.60%	93.60%
<b>Liquid Assets / Total Assets</b>	34.90%	34.30%	29.60%	28.00%	30.90%	31.40%
<b>Liquid Assets / Total Deposits</b>	46.40%	47.00%	42.30%	42.50%	47.60%	47.50%

## S – SENSITIVITY TO MARKET RISK

<b>Interest Income</b>	687,526	774,659	929,554	1,195,462	1,521,978	1,962,019
<b>FX Income</b>	36,721	37,768	57,557	65,949	31,534	97,550
<b>Total Revenue</b>	724,247	812,427	987,111	1,261,411	1,553,512	2,059,569
<b>Interest Income / Total Revenue</b>	94.90%	95.40%	94.20%	94.80%	98.00%	95.30%
<b>FX Income / Total Revenue</b>	5.10%	4.60%	5.80%	5.20%	2.00%	4.70%
<b>NII / Total Revenue</b>	78.60%	77.60%	71.70%	67.00%	70.80%	67.00%

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