

Executive Summary:

CRDB Bank Plc delivered strong Q3 2025 results, marked by robust growth in earnings and a healthy balance sheet expansion. For the nine months ended 30th September 2025, the Group achieved a record profit after tax of ~TZS 523 billion.

In Q3 2025, Profit after tax reached TZS 174 billion. The performance reflected strong loan expansion (+27 % YoY), stable margins, disciplined cost control, and solid asset quality.

The Return on Equity at 28 % and Return on Assets near 5 % confirm CRDB's position as Tanzania's profitable and efficient financial institution.

Notably, CRDB's "EVOLVE" strategic plan (2023–2027) continued to bear fruit, boosting digital banking adoption and regional expansion, which in turn reinforced profitability and market leadership.

Strategic & Operational Highlights

There was visible progress across digital transformation, regional growth, and sustainable finance. The **Temenos T24 core banking upgrade** enhanced scalability and customer experience, with over 90 % of transactions now executed digitally.

The Bank also diversified its funding mix through an Islamic Sukuk bond and accelerated its green financing agenda, aligning with Tanzania's sustainability priorities.

Operationally, CRDB maintained cost discipline, holding its cost-to-income ratio near 43 %, even amid heavy digital and regional investments. These initiatives continue to reinforce earnings resilience, balance sheet strength, and CRDB's position as Tanzania's most dynamic financial institution.

Ticker	CRDB
Share Price	TZS 1,170
Target Price	TZS 1,716
Book Value	TZS 981
Q3 2025 Snap Shot	
Total Assets	TZS 20.5 trillion
Customer Deposits	TZS 13.8 trillion
Net Loans & Advances	TZS 12.8 trillion
Profit After Tax	TZS 174.0 billion
ROE	29%
ROA	4.90%
Cost-to-Income Ratio	43.00%
NPLs	3.20%
EPS (9 Months)	TZS 199
EPS (Annualized)	TZS 253.6

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“Broad-based balance sheet growth drives solid profitability.”

CRDB Bank Plc sustained its growth trajectory in Q3 2025, supported by strong interest income performance and disciplined cost management. Net interest income rose to TZS 347.3 billion, reflecting continued loan portfolio expansion and solid asset yields.

Despite a moderation in non-interest income to TZS 152.9 billion, overall profitability remained robust, with profit after tax reaching TZS 174.0 billion, a 30 % year-on-year increase.

“Earnings Momentum.”

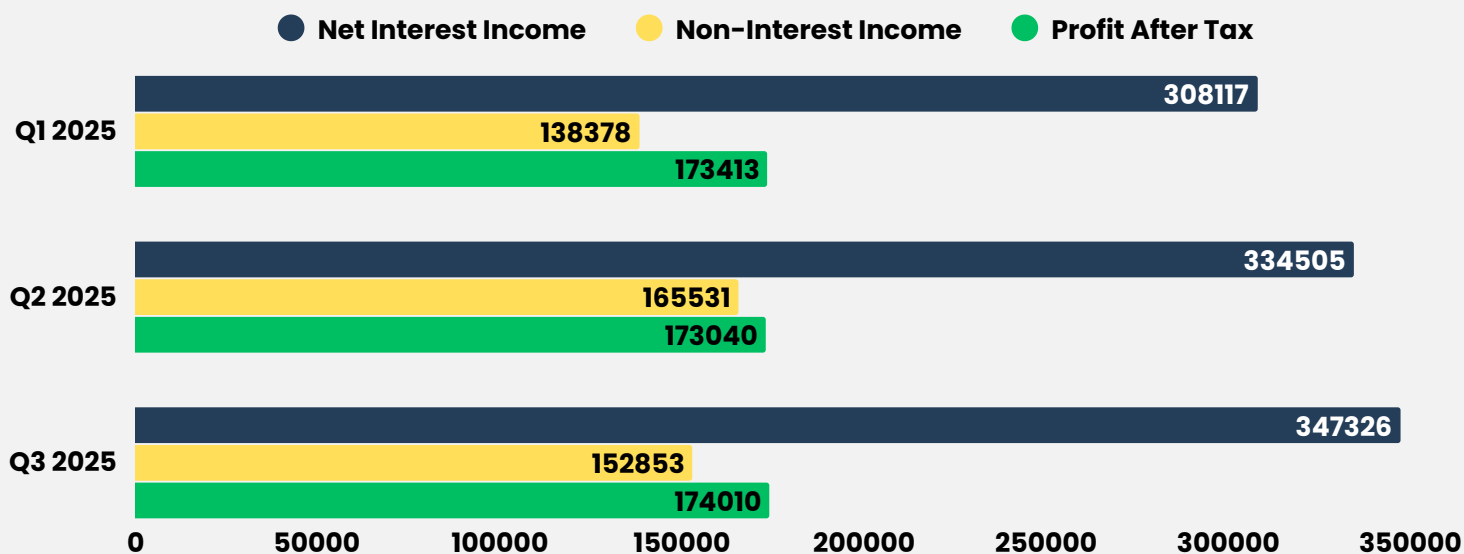
Quarterly performance highlights CRDB’s consistent upward trajectory, driven by expanding interest income and stable profitability. Net interest income climbed steadily across Q1–Q3 2025, supported by balance sheet growth and improved asset yields, while non-interest income remained resilient amid increased digital transaction volumes.

Financials in Table (Q3 2025):

Indicator (TZS Bn)

Net Interest Income	347.3 Bn
Non-Interest Income	152.9 Bn
Profit After Tax	174.0 Bn
Total Assets	20,457.6 Bn
Customer Deposits	13,751.4 Bn

Q/Q Earnings (TZS M)



Balance Sheet Dynamics

“Robust deposit growth continues to anchor asset expansion.”

CRDB’s balance sheet maintained strong momentum, with total assets expanding to TZS 20.46 trillion and customer deposits rising to TZS 13.75 trillion. The continued deposit mobilization reflects solid customer confidence, supported by digital banking channels and regional expansion.

This broad-based growth, coupled with stable margins, continues to anchor the bank’s earnings resilience and long-term value creation.

“Asset quality and efficiency remain solid.”

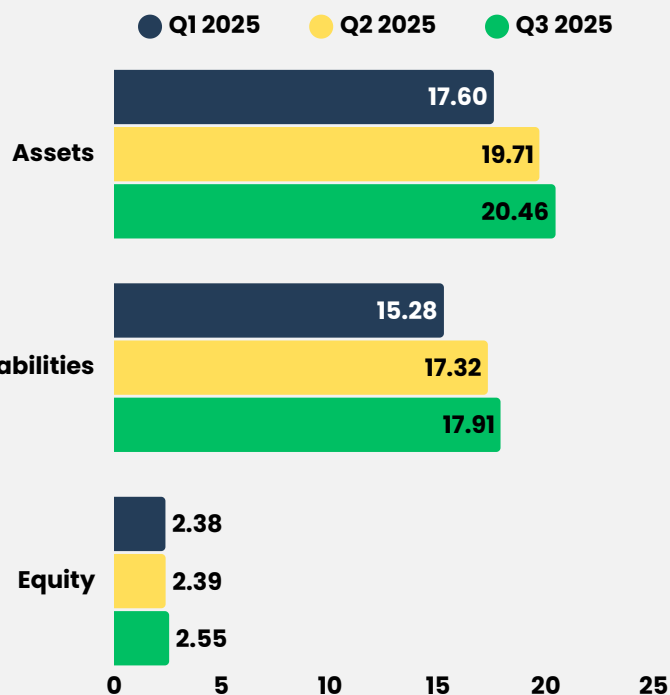
The Q3 2025 balance sheet reflects strong capital efficiency and disciplined risk management. CRDB maintained a healthy ROE of 29 % and ROA of 4.9 %, supported by effective cost control that kept the cost-to-income ratio at 43 %.

Asset quality remained sound, with NPLs contained at 3.2 %, underscoring prudent credit policies and resilient loan performance amid continued portfolio growth.

without forgetting the continued to strengthening of Equity to TZS 2.55 trillion in Q3 2025, reflecting retained earnings growth and prudent balance sheet management

“Asset and deposit growth accelerated through Q3 2025, reinforcing CRDB’s position as Market Leader.”

Balance Sheet Composition (TZS Trn)



Metric

ROE	29%
ROA	4.90%
Cost-to-Income	43%
NPLs	3.20%



Dividend Discount Model (DDM) Valuation

TWO-STAGE DDM

Stage 1: High Growth Period

High Growth Rate **20.00%**

High Growth Period (years) **5**

Stage 2: Stable Growth **8.00%**

Year	Dividend TZS per share	PV of Dividend
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1	85	73.82
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2	102	76.93
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3	122.4	80.17
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4	146.88	83.54
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5	176.26	87.06
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Sum Of PV of Dividends		401.51
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Terminal Value Calculation

Year 6 Dividend		190.36
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Terminal Value Calculation		TZS 2,662.33
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PV of Terminal Value		TZS 1,315.05
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Intrinsic Value (Two Stage DDM)		TZS 1,716.56
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Investor Outlook:

CRDB's valuation under the two-stage DDM framework underscores its strong fundamentals and attractive return potential.

The intrinsic value of TZS **1,716.56 per share** suggests a 46.7% upside from the current market price of TZS 1,170, supported by consistent dividend growth and resilient profitability.

The bank's robust capital position, sustained loan expansion, and disciplined cost structure provide a solid foundation for long-term value creation.

We maintain a BUY recommendation on CRDB, supported by strong earnings momentum and attractive valuation upside."

CRDB's valuation continues to reflect investor confidence in Tanzania's banking sector resilience, supported by stable monetary policy and moderating inflation.

The Group's strong capital adequacy, steady asset growth, and rising non-interest income mix strengthen its capacity to sustain above-average returns. With earnings visibility improving, we expect market sentiment to remain positive through Q4 2025.



Loan Portfolio Analysis & Ratios

LOAN PORTFOLIO OVERVIEW

TZS M	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
Gross Loans & Advances	10,090,981	10,369,241	10,945,568	12,249,789	12,827,776
Non-Performing Loans (NPLs)	270,438	310,092	367,938	382,437	426,027
Performing Loans	9,820,543	10,059,149	10,577,630	11,867,352	12,401,749
Loan Loss Provisions	117,098	136,987	148,573	173,564	185,030
Net Loans (After Provisions)	9,973,883	10,232,254	10,796,995	12,076,225	12,642,746

LOAN GROWTH ANALYSIS

Quarterly Growth Rate	-	2.80%	5.60%	11.90%	4.70%
YoY Growth					27.10%
Loan Growth Q/Q (TZS M)	-	278,260	576,327	1,304,221	577,987
Average Quarterly Growth	6.20%				

NPL ANALYSIS & ASSET QUALITY

NPL Ratio	2.68%	2.99%	3.36%	3.12%	3.32%
NPL Growth Rate	-	14.70%	18.70%	3.90%	11.40%
NPL YoY Growth					57.50%
Coverage Ratio	43.30%	44.20%	40.40%	45.40%	43.40%
Provision as % of Gross Loans	1.16%	1.32%	1.36%	1.42%	1.44%
Net NPL Ratio (after provisions)	1.52%	1.67%	2.00%	1.71%	1.88%

Loan Portfolio Analysis & Ratios

CREDIT RISK INDICATORS

Impairment Charge (TZS M)	29,200	22,984	35,503	37,153	34,254
Impairment / Gross Loans	0.29%	0.22%	0.32%	0.30%	0.27%
Impairment / Net Interest Income	10.60%	7.70%	11.50%	11.10%	9.90%
Credit Cost (annualized)	1.16%	0.89%	1.30%	1.21%	1.07%

LOAN PORTFOLIO EFFICIENCY

Loans to Deposits Ratio	99.50%	95.70%	93.30%	90.20%	93.30%
Loans to Total Assets	62.90%	62.50%	62.00%	62.20%	62.70%
Customer Deposits (TZS M)	10,144,209	10,833,044	11,737,114	13,580,921	13,751,376
Deposit Growth Rate	-	6.80%	8.30%	15.70%	1.30%
Lending Capacity (Deposits - Loans)	53,228	463,803	791,546	1,331,132	923,600

PROFITABILITY FROM LOANS

Net Interest Income (TZS M)	274,829	297,068	308,117	334,505	347,326
Net Interest Margin (NII / Avg Loans)	2.72%	2.86%	2.81%	2.73%	2.71%
Annualized Loan Yield	10.90%	11.50%	11.30%	10.90%	10.80%
Risk-Adjusted Return (NII - Impairment)	245,629	274,084	272,614	297,352	313,072
Risk-Adjusted Margin	2.43%	2.64%	2.49%	2.43%	2.44%

Loan Portfolio Summary

CRDB Bank's loan portfolio demonstrated strong and broad-based momentum in Q3 2025, with gross loans and advances expanding by 27 % YoY to TZS 12.83 trillion. Growth remained consistent across quarters, signalling steady credit demand and continued confidence in lending operations, particularly within SME and retail segments under the Evolve Strategy.

Asset quality remained firm despite the wider loan base. The NPL ratio edged up marginally to 3.3 % (from 2.7 %), yet coverage levels of 43 – 45 % indicate well-buffered credit exposure. This reflects the bank's ability to absorb incremental risk while maintaining disciplined provisioning standards.

Impairment charges eased to TZS 34.3 billion, and the credit cost ratio declined to 1.07 %, highlighting improved repayment trends and effective loan screening supported by digital credit platforms.

CRDB's Net Interest Margin remained stable at ~2.8 %, demonstrating that rising loan volumes are translating into true profitability rather than margin dilution. Meanwhile, the loans-to-deposits ratio of 93 % confirms that credit growth is sustainably funded by deposits rather than short-term borrowing, preserving liquidity strength.

Overall, Q3 2025 underscores efficient, risk-aware growth that is characterized by expanding lending activity, stable margins, prudent provisioning, and balanced funding solidifying CRDB's standing as a Tier 1 market leader in Tanzania's banking landscape.

CRDB's Q3 2025 loan performance reflects a mature growth phase—driven by disciplined risk management, sustained profitability, and stable funding. We view the bank's asset quality and credit efficiency as key strengths underpinning its leadership momentum.

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