



TANZANIA
BANKING SURVEY

2011

Introducing the Tanzania Banking Survey Report

Since 2006, Serengeti Advisers has been collecting the quarterly financial statements that are published by all regulated banks and non-bank financial institutions as required by the Bank of Tanzania. At the heart of this report is the presentation and analysis of these financial statements over the five-year period between January 2006 and December 2010.

Objectives

This report is motivated by Serengeti Advisers' desire to provide:

- Information by compiling, packaging and presenting the facts and figures on Tanzania's banking industry in one easily accessible reference document.
- Insight by identifying, highlighting and describing the trends that emerge from an analysis of the data, and suggest new and interesting interpretations of what these might mean for the banking sector.
- Imagination by catalysing critical and creative thinking about how these trends could shape the future of the Tanzania's banking industry.

This report will be of interest and value to, among others:

- i Shareholders, directors and senior banking industry executives who want to compare their performance with that of their competitors.
- ii Bank and other financial services regulators as a complement to their own analysis,
- iii Legal, financial and investment professionals as well as students and researchers who need to understand the structure and dynamics of Tanzania's banking industry.
- iv Domestic and foreign investors in Tanzania who want to know how their bankers are performing relative to others.
- v General public who want to understand the industry and decide where to keep their savings.
- vi Embassies, diplomatic and trade representatives who advise investors about Tanzania's banking sector.

Structure of the report

The report is structured into three main parts.

PART ONE: The first part presents a consolidated picture of Tanzania's banking sector, and illuminates the trends in its size and performance.

PART TWO: The second part ranks the banks across the following ten indicators of size and performance as at December 31, 2010:

- i total assets
- ii customer deposits
- iii total loans
- iv investment in government securities
- v total revenue
- vi net profits
- vii provision for bad and doubtful debts
- viii shareholders' funds (capital)
- ix number of employees
- x number of bank branches

PART THREE: The third part presents the profiles and selected financial trends for each of the 41 banks that had reported financial statements by December 31, 2010. The profiles include information on shareholders, directors, senior management. This information was gathered from the bank's websites and published reports and were verified for accuracy by contacting individual banks for confirmation and clarification. The selected financial trends analysis looks at,

- i Income and profit trends as a basic measure of performance,
- ii Customer deposits, loans and the ratio of non-performing loans to show how the heart of the bank's business – financial intermediation between savers and borrowers – is performing, and the
- iii Structure of shareholders' funds to highlight the depth and quality of the banks' capital.

The report online

Finally, this report has an active and dynamic life online at www.serengetiadvisers.com One of its key features is an interactive motion chart that brings the data to life by inviting visitors to explore and compare the performance of any individual bank or group of banks across time. The website is updated on a monthly basis with reports and analysis of the most recent banking sector developments, and on a quarterly basis after all banks have published their financial statements.

Number of Employees

Rank	Bank	Number	Market share
1.	National Microfinance Bank Plc	2,610	23.3%
2.	National Bank of Commerce	1,496	13.3%
3.	CRDB Bank Plc	1,437	12.8%
4.	Barclays Bank Tanzania	668	6.0%
5.	Exim Bank	477	4.3%
6.	Stanbic Bank Tanzania	402	3.6%
7.	Tanzania Postal Bank	392	3.5%
8.	Akiba Commercial Bank	360	3.2%
9.	Standard Chartered Bank	337	3.0%
10.	FBME Bank	308	2.7%
11.	KCB Bank Tanzania	246	2.2%
12.	AccessBank Tanzania	210	1.9%
13.	Diamond Trust Bank Tanzania	207	1.8%
14.	Bank of Africa Tanzania	201	1.8%
15.	Azania Bank	181	1.6%
16.	The Peoples' Bank of Zanzibar	163	1.5%
17.	Tanzania Investment Bank	154	1.4%
18.	Dar es Salaam Community Bank	132	1.2%
19.	Bank M	127	1.1%
20.	Twiga Bancorp	106	0.9%
21.	Commercial Bank of Africa	104	0.9%
22.	NIC Bank Tanzania	84	0.7%
23.	International Commercial Bank	83	0.7%
24.	Habib African Bank	82	0.7%
25.	African Banking Corporation	80	0.7%
26.	I&M Bank Tanzania	66	0.6%
27.	Citibank Tanzania	58	0.5%
28.	Ecobank Tanzania	52	0.5%
29.	United Bank for Africa Tanzania	49	0.4%
30.	Tanzania Women Bank	45	0.4%
31.	Mkombozi Commercial Bank	37	0.3%
32.	Mbinga Community Bank	37	0.3%
33.	Bank of Baroda Tanzania	35	0.3%
34.	Kilimanjaro Co-operative Bank	30	0.3%
35.	Mufindi Community Bank	29	0.3%
36.	Mwanga Rural Community Bank	29	0.3%
37.	Kagera Farmers Co-operative Bank	23	0.2%
38.	Uchumi Commercial Bank	23	0.2%
39.	Efatha Bank	22	0.2%
40.	Bank of India Tanzania	18	0.2%
41.	Tandahimba Community Bank	8	0.1%
Total		11,208	100.0%

*on December 31, 2010



Asset Ranking

02

as of December 31st 2010

CRDB Bank Plc

Founded	1996
Chairperson	Mr. Martin J. Mmari
Chief Executive	Dr. Charles Kimej, Managing Director
Auditors	Deloitte & Touche
No. of Employees	1437
No. of Branches	61
No. of ATMs	131
Web Address	www.crdbbank.com

Share Capital as of 31st December 2010

TZS 54.40_{bn}

CRDB Bank Plc is a private commercial bank in Tanzania. It was established in 1996. It has been profitable every year since its foundation. CRDB offers a range of corporate, retail, business, treasury, premier, wholesale and microfinance services through a network of 60 branches, over 100 ATMs, 17 depository ATMs, five mobile branches, almost 700 post terminals, 400 microfinance partners, as well internet and mobile phone banking. It was listed on the Dar es Salaam Stock Exchange on June 17, 2009.

- Bede Lyimo
- Boniface Muhegi
- Ally Laay
- Joyce Nyanza
- Juma Abdulrahman

Shareholders

- DANIDA Investment Fund – 21.5%
- Parastatal Pension Fund – 10.0%
- IPP Limited – 5.4%
- Public Services Pension Fund (PSPF) – 3.3%
- LAPF – 1.7%
- Western Tobacco Coop. Union – 1.7%
- Hans Macha – 1.3%
- CMG Investment Limited – 1.2%
- SHIRECU – 1.2%
- EPACK Investment Fund – 1.1%
- Lindi Development Fund – 1.0%
- Kagera Cooperative Union (1990) Ltd. – 1.0%
- Others (less than 1%) – 49.7%

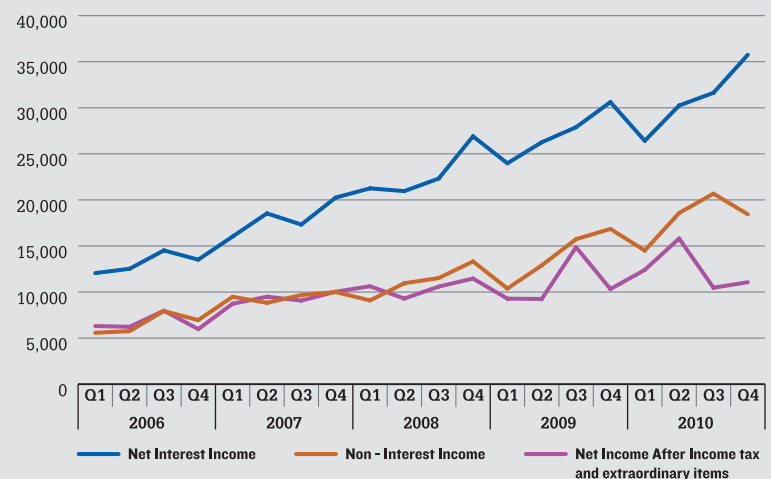
Senior Management

- Charles Kimej, Managing Director. Dr. Kimej is an economist. He obtained his doctorate in Money and Finance from Uppsala University in Sweden.
- Jens Ole Pedersen, Deputy Managing Director
- Tully Mwambapa, Director of Marketing and Research
- Anderson Mlabwa, Director of Credit
- J. Rugambo, Director of Secretariat (Company Secretary)
- Izengo Soka, Director of Internal Audit
- Mr. Soka is a Certified Public Accountant (CPA-T).

Board of Directors

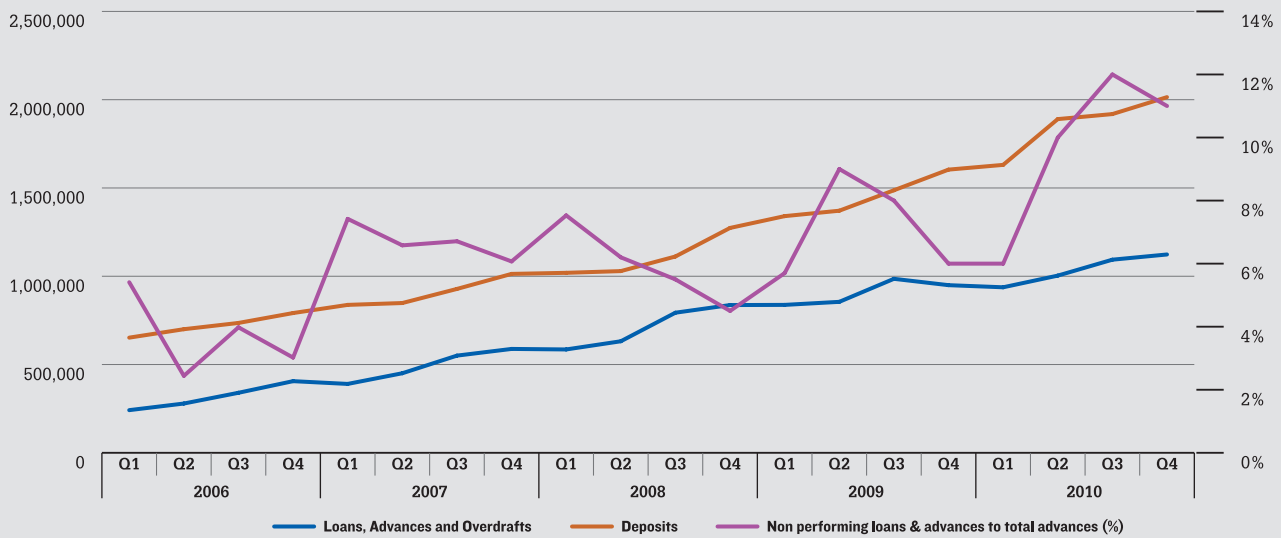
- Martin Mmari, Chairperson. Mr. Mmari is a Director of Finance at the Parastatal Pension Fund, one of the bank's major shareholders. He is a Certified Public Accountant (CPA-T) and holds an MBA in International Banking and Finance.
- Dr. Sylvia Temu
- Joyce Luhanga
- Lydia Joachim
- Joseph Mchanga
- Kai Kristoffersen

Income and Profit (TZS million)



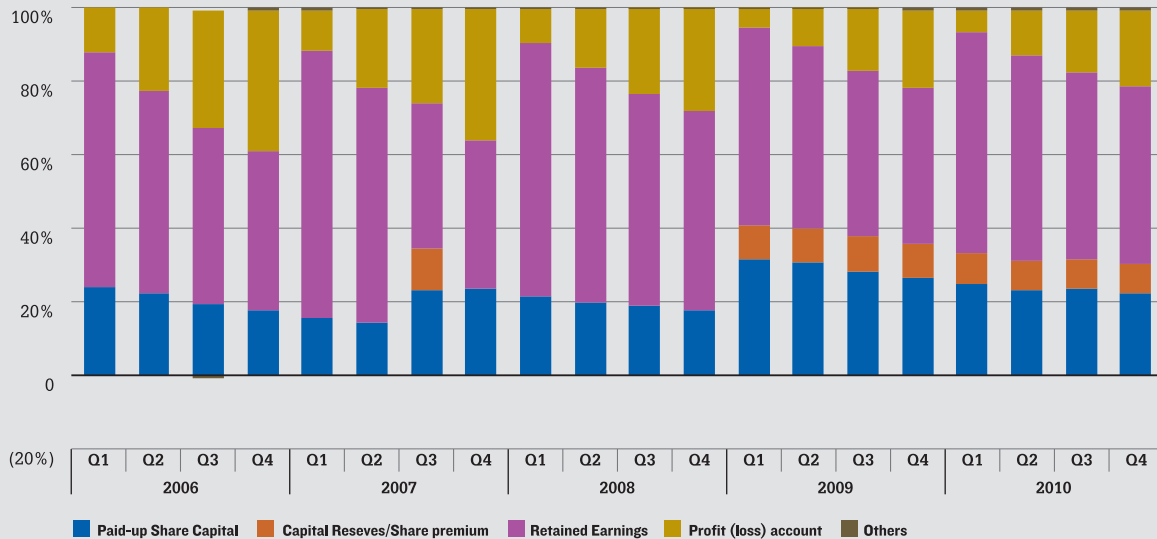
Source: Serengeti Advisers' analysis of bank's financial statements

Loans, deposits (TZS million) & non-performing loans (%)



Source: Serengeti Advisers' analysis of bank's financial statements

Structure of shareholders funds



Source: Serengeti Advisers' analysis of bank's financial statements

Selected Financial Indicators

CRDB's quarterly net interest income has grown from TZS 12 billion to over TZS 35 billion between Q1 2006 and Q4 2010. Non-interest income has grown from TZS 5.5 billion to over TZS 18 billion during the same time. The bank's net interest income levels are sufficient to cover all of CRDB's expenses and income tax obligations - the volume of the bank's quarterly non-interest income and its net profits were an almost perfect match between Q1 2006 and Q1 2009.

CRDB's deposits expanded threefold from TZS 652 billion to over TZS 2.0 trillion between Q1 2006 and Q4 2010. The bank's lending has grown even faster than the deposits, increasing by more than 4½ times from TZS 241 billion to over TZS 1.1 trillion. With the growth of lending, non-performing loans have also trended upwards, despite some periodic improvements. In Q1 2006, bad loans accounted for only

5.4% of total advances, but by Q4 2010 that rate had increased to 11% of the total lending book.

The structure of CRDB's capital is founded on the bank's strong historical and contemporary profitability. Paid-up share capital accounts for about 20% of total shareholder funds, while the balance is made up significant quarterly profits which are then converted to retained earnings in the first quarter of the following year. CRDB's paid-up share capital doubled from TZS 12.3 billion to TZS 24.73 billion in Q3 2007 by converting TZS 12.366 billion of retained earnings into share capital. It was increased again to TZS 53.75 billion in Q1 2009, this time by converting TZS 29 billion of the profit from 2008 into paid-up share capital. Most of the TZS 23 billion raised in the 2009 public offering seems to have bought fixed assets. CRDB has paid more than TZS 13.5 billion in cash dividends since 2006, TZS 10.5 billion of which was paid since Q3 2009.