

CRDB BANK PLC MAINTAINS B2 (Stable Outlook) RATING BY MOODY'S

As a publicly listed company, we understand the importance of building investor confidence through our business. Our company prides itself on having a diverse group of shareholders comprising public entities, corporations, foreign companies and individual investors from within and outside Tanzania. We also take pride in being an attractive investment to our shareholders and continue to implement strategies that will guarantee favourable returns to our shareholders in the long term.

Our strong governance framework and culture of accountability are the cornerstone upon which we have built credence as a worthwhile investment in the region. We have tailored our services and financial solutions along with the needs of the society as a sustainability strategy to ensure the Group's longevity. We are cognizant that our longevity is pegged on our ability to sustain performance and value to our shareholders. Our strategies consider the fundamentals that ensure we maintain stability and grow from strength to strength.

Over the years, our Group has maintained a favourable credit rating by independent global analysts, including globally acclaimed authority in investment and financial analysis – Moody's. We are proud to have been the first local bank in Tanzania to obtain a B2 (Stable Outlook) credit rating from Moody's Corporation in 2016. For five consecutive years, our Group has maintained a strong credit rating, driven by a sustained commitment to create meaningful change in the lives of our customers and drive positive impact.

The conviction of driving impact is what underpins our stability as a credible financial service provider. It also informs our long term aspiration as our continent's partner in development. The stability is demonstrated in the prospects of our business and is deeply rooted in our long-term growth strategy.

In the latest report published in December 2020, Moody's has updated its Credit Opinion of our Group to B2 (stable Outlook), long-term deposit rating, which is at the

same level with the bank's b2 Baseline Credit Assessment (BCA). The BCA reflects the expectations that our Group's asset risks will remain elevated, given the current challenges in the operating. The situation is exacerbated by the Covid_19 pandemic, which continues to ravage economies around the world.

As a Group, we have committed to our shareholders to continue implementing strategies to mitigate the risks associated with the pandemic through:

- Good solvency that is supported by low leverage and good pre-provision profitability,
- A deposit-based funding profile, supported by a strong domestic franchise and an extensive distribution network, and
- A good liquidity buffer.

The Stable Outlook reflects the current rating, balances the risks from the challenging operating environment and elevated asset risk with the bank's good capital, adequate profitability and deposit-based funding profile.

Category	Moody's Rating
Outlook	Stable
Counterparty Risk Rating	B1/NP
Bank Deposits	B2/NP
Baseline Credit Assessment	b2
Adjusted Baseline Credit Assessment	b2
Counterparty Risk Assessment	B1(cr)/NP(cr)

About Credit Ratings

A credit rating is an opinion of a particular credit agency regarding the ability and willingness of an entity (government, business, or individual) to fulfil its financial obligations in totality and within the established due dates. A credit rating also signifies the likelihood a debtor will default. The global credit rating market is dominated by three renowned credit agencies, namely Moody's Investor Services, S&P Global Ratings, and Fitch Ratings.

An institution's credit rating is determined by its macro environment and the country's credit rating in which it operates. The country credit rating is also known as the sovereign rating. Credit rating agencies, therefore, assess and assign ratings to both institutions and governments. Before a credit rating agency can rate an institution, it first must establish the country's rating. The sovereign rating then forms the basis of the institutional rating.

A credit rating provides countries, institutions, and individuals with access to a broader pool of capital providers. Furthermore, lenders can price the loans better by considering the risk profile of their borrowers. By understanding the creditworthiness and risks associated with a rated company/country, investors are given confidence and reassurance on the entity's performance and can make informed investment decisions.