

 Early Warning System

IFC-47637

CRDB TZ Sustainability Bond



Quick Facts

Countries	Tanzania
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	FI
Voting Date	2023-08-03
Borrower	CRDB Bank Plc.
Sectors	Agriculture and Forestry, Education and Health, Energy, Finance, Transport, Water and Sanitation
Investment Type(s)	Loan
Investment Amount (USD)	\$ 60.00 million
Loan Amount (USD)	\$ 60.00 million
Project Cost (USD)	\$ 300.00 million



Project Description

As stated by the IFC, the Project entails an investment of up to US\$60 million in Tanzanian Shillings (“TZS”) equivalent in a senior unsecured Green bond with a tenor of five years by CRDB Bank Plc.. CRDB expects to issue a US\$300 million multi-currency Medium Term Note program in various tranches aimed at financing green, social, and sustainability projects. The project pertains to an investment in the first tranche of up to TZS 40 billion (approximately US\$16 million), with a Green Shoe Option of TZS 15 billion (approximately US\$6million). This is CRDB’s first Green Bond and the first to be issued in Tanzania. The proceeds will be used to provide access to finance for green transactions and will be in accordance with CRDB’s Green, Bond Framework to finance or refinance eligible sub-projects that would contribute to sustainable and inclusive growth in Tanzania.

IFC intends to anchor up to 40 percent of the entire program, however, IFC’s own account investment will be limited to no more than US\$60 million [or TZS equivalent] in the first tranche. The Project is expected to be supported by the IDA20 Private Sector Window Local Currency Facility and the Market Accelerator for Green Construction Program.



Early Warning System Project Analysis

The IFC categorized the project as FI-2.



Investment Description

- International Finance Corporation (IFC)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [CRDB Bank Plc Tanzania](#) (Financial Intermediary)



Private Actors Description

As stated by the IFC, CRDB, formerly known as the Cooperative and Rural Development Bank was privatized in 1996 when the Danish International Development Agency (DANIDA) and the Government of Tanzania took a 30 percent stake in the Bank through a joint venture called Danida Investment Fund (DIF). In 2009, CRDB was listed on the Dar es Salaam Stock Exchange and closed with a market capitalization of TZS 1,241 billion (US\$531 million) as of July 31, 2023. With a reported market share of 23 percent in total assets and 24 percent in deposits as of December 2022, CRDB is currently the largest bank in Tanzania. The Bank offers a comprehensive range of corporate, retail, business, treasury and wholesale microfinance services through its wide network of branches and ATMs across the country. CRDB has a presence in Burundi and in the Democratic Republic of Congo. CRDB's largest shareholders are DIF with 21 percent, the Public Service Social Security Fund Tanzania (PSSSF Tanzania), a state pension fund with 13.3 percent ownership, and the National Social Security Fund Uganda (NSSF Uganda) with 7.5 percent ownership.



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