

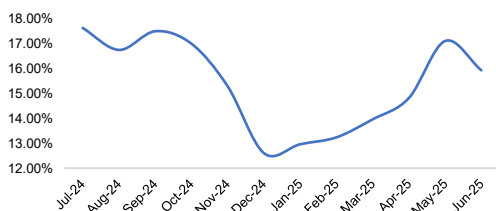
# DCB Bank EARNINGS HIGHLIGHTS March 2025



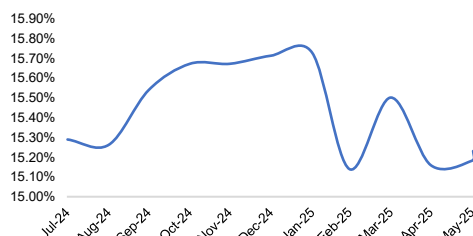
## DCB BANK PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING JUNE 2025

### INDUSTRIAL OVERVIEW

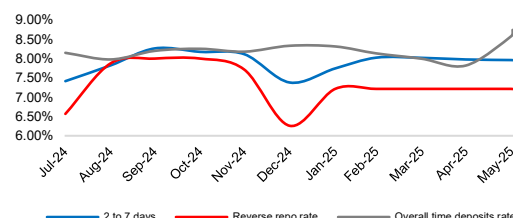
Annual Private Sector Credit Growth



Overall Lending Rate Trend

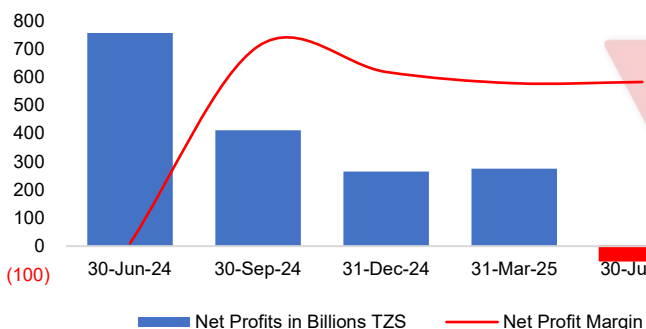


Interbank Cash Market, Reverse Repo & Overall Time Deposit Rates

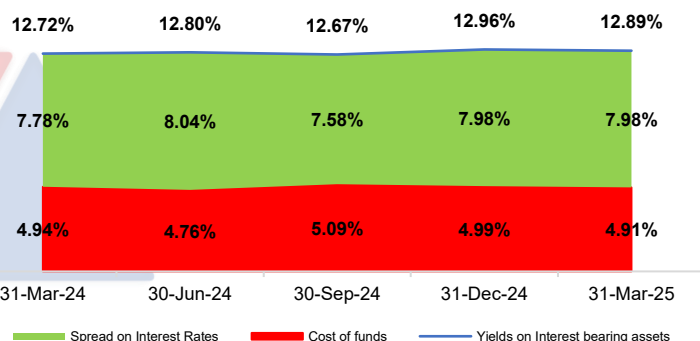


### INCOME STATEMENT ANALYSIS

DCB Profitability Trend



DCB Indicative Interest Rates



Profits after taxes fell 118.55% QoQ from TZS 275 million in Q1'25 to TZS 51 million loss in Q2'25

#### Possible Reasons:

Net Interest Income fell 16.54% QoQ from TZS 4.09 billion as of Q1'25 to TZS 3.42 billion in Q2'25 due to a 5.76% QoQ drop in interest income amounting to TZS 8.58 billion brought about by a contraction in customer loans and investments in fixed income securities all while Interest Expenses grew 3.05% QoQ amounting to TZS 5.16 billion signaling a negative jaws between interest income and interest expense growth.

Operating expenses relative to gross income continues to worsen as the bank's cost to income ratio has risen from 89.49% in Q1'25 to 102.03% in Q2'25.

Effective Income tax ratio on the company's earnings stood at 177.27% of the bank's pre-tax earnings resulting in a bank provision of TZS 117 million compared to TZS 66 million in pre-tax earnings.

| Income Statement Analysis<br>Amounts in Billions TZS | Jun-24 | Sept-24 | Dec-24 | Mar-25 | Jun-25 |
|--|--------|---------|--------|--------|--------|
| Net Operating Income                                 | 5.44   | 5.25    | 5.12   | 5.03   | 4.84   |
| Growth Rate  | 59.84% | -3.56%  | -2.42% | -1.68% | -3.91% |
| Operating Expenses                                   | 4.69   | 4.84    | 4.86   | 4.78   | 4.77   |
| Growth Rate  | -4.08% | 3.74%   | 0.40%  | 1.99%  | 0.25%  |

# DCB BANK PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING JUNE 2025

## BALANCE SHEET STATEMENT ANALYSIS

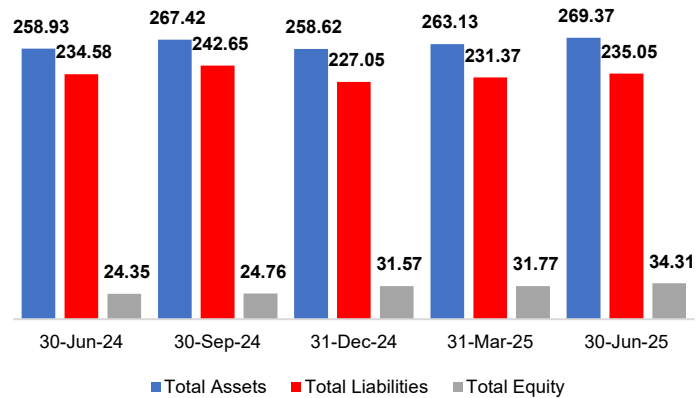
Total assets increased by 2.37% during the quarter ending June 2025, reaching TZS 269.37 billion in value.

### Reasons:

Cash and Balances with the Central Bank grew 13.50% QoQ amounting to TZS 33.82 billion all while interbank loan receivables surged 410.14% QoQ amounting to TZS 6.79 billion indicating a rebalancing of its asset mix in favor of highly liquid low-risk assets evident with the fact that loans had seen a 1.85% QoQ reduction amounting to TZS 133.73 billion and Investments in fixed income dropped 0.47% Qo amounting to TZS 62.75 billion.

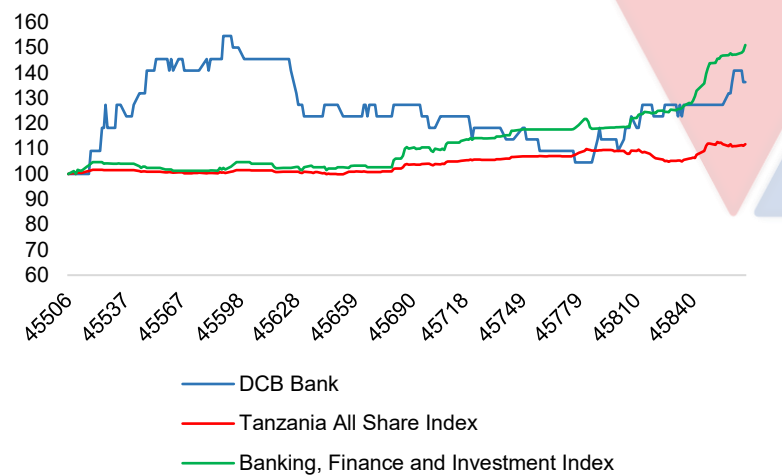
Balance sheet growth was funded by 3.07% QoQ growth in deposits amounting to TZS 195.54 billion and a 8.02% QoQ growth in shareholders equity amounting to TZS 34.31 billion

Balance Sheet Highlights in Billions TZS



## INVESTORS' CORNER

DCB Bank VS TSI & BFI Index 52-Weeks Returns rebased at 100



### Supporting Fundamentals

|   |            |
|---|------------|
| Ticker  | DCB        |
| Closing Price as of August 1 <sup>st</sup> 2025 | TZS 155    |
| Book Value per Share                            | TZS 179.11 |
| P/B Ratio                                       | 0.87x      |
| Trailing EPS                                    | TZS 4.69   |
| P/E Ratio                                       | 33.02x     |
| ROE   | 2.62%      |
| ROA   | 0.33%      |

## OUTLOOK

On a YoY perspective DCB's profits have risen by 162.92% YoY from a loss of TZS 356 million as of June 2024 to a profit of TZS 224 million as of June 2025 with the growth brought about by a 30.98% growth in net interest income amounting to TZS 7.51 billion following a 19.08% YoY surge in interest income amounting to TZS 17.68 billion and a slower interest expense growth of 11.60% YoY amounting to TZS 10.18 billion in HY'25.

Operational efficiency also improved with the bank's cost to income ratio for the six months ending 2025 standing at 95.36% compared to 106.90% in the first half of 2024 however its worth noting that most of the operational efficiency gains were felt across the first quarter of 2025.

Looking ahead, while broader macro-economic, fiscal and monetary policies seem to be in favor of the banking sector we are of the view that DCB is poorly poised to take advantage of these opportunities in the foreseeable future

## DCB BANK PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING JUNE 2025

### RATIO ANALYSIS

| DCB Bank Ratios:              | 30-Sep-23 | 31-Dec-23 | 31-Mar-24 | 30-Jun-24 | 30-Sep-24 | 31-Dec-24 | 31-Mar-25 | 30-Jun-25 |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Capital Structure:</b>     |           |           |           |           |           |           |           |           |
| Borrowings to Equity          | 40.90%    | 45.34%    | 89.21%    | 128.66%   | 118.83%   | 103.69%   | 113.00%   | 98.26%    |
| Equity Multiplier             | 8.16      | 9.24      | 10.08     | 10.63     | 10.80     | 8.19      | 8.28      | 7.85      |
| Equity to Assets Ratio        | 12.26%    | 10.82%    | 9.92%     | 9.40%     | 9.26%     | 12.21%    | 12.07%    | 12.74%    |
| <b>Asset Quality:</b>         |           |           |           |           |           |           |           |           |
| NPL Ratio                     | 10.80%    | 5.50%     | 6.90%     | 4.70%     | 4.30%     | 5.00%     | 6.10%     | 6.00%     |
| NPL Coverage Ratio            | 50.14%    | 63.12%    | 59.00%    | 65.82%    | 69.14%    | 48.20%    | 41.16%    | 35.61%    |
| <b>Management Quality:</b>    |           |           |           |           |           |           |           |           |
| Loan Growth                   | 3.27%     | 5.18%     | 1.09%     | 11.52%    | 2.36%     | -5.07%    | 2.47%     | -1.85%    |
| Deposit Growth                | 4.03%     | 2.73%     | -0.69%    | 5.44%     | 5.24%     | -8.90%    | 0.68%     | 3.07%     |
| Earning to Total Assets       | 81.00%    | 81.30%    | 80.50%    | 83.30%    | 80.10%    | 83.70%    | 80.40%    | 79.00%    |
| <b>Earnings Quality:</b>      |           |           |           |           |           |           |           |           |
| Net Interest Margin           | 6.74%     | 6.61%     | 5.73%     | 5.54%     | 6.92%     | 6.60%     | 8.06%     | 0.00%     |
| Net Profit Growth             | 166.67%   | -328.29%  | 64.39%    | 167.99%   | -45.67%   | -35.63%   | 4.00%     | -118.55%  |
| Cost to Income Ratio          | 109.87%   | 98.76%    | 112.42%   | 102.07%   | 93.13%    | 95.36%    | 89.49%    | 102.03%   |
| <b>Liquidity:</b>             |           |           |           |           |           |           |           |           |
| Loan to Deposit Ratio         | 66.80%    | 67.00%    | 68.60%    | 71.80%    | 69.80%    | 72.30%    | 73.70%    | 70.00%    |
| Loan to Deposits & Borrowings | 59.45%    | 61.02%    | 59.15%    | 60.05%    | 59.28%    | 60.12%    | 60.39%    | 58.33%    |

### ANALYST'S NAMES & CONTACTS

Emmanuel Matunda  
[emmanuel@solomon.co.tz](mailto:emmanuel@solomon.co.tz)

For further information please contact Us : 2124495 /2112874 /0764269090 /0714 269090

[All care has been taken in the preparation of this commercial document and the information contained therein has been derived from sources believed to be accurate and reliable. If you are in any doubt about the contents of this document do not hesitate to contact the above mentioned. SOLOMON Stockbrokers Ltd does not assume responsibility for any error, omission or opinion expressed. Anyone acting on the information or opinion does so at his own risk. This information has been sent to you for your information and may not be reproduced. Unauthorised use or disclosure of this document is strictly prohibited. © Copyright 2025



# SOLOMON Stockbrokers

*A Member of Dar es Salaam Stock Exchange & Authorized Dealer of Government Securities*

**STOCKBROKERS / DEALERS**

**INVESTMENT ADVISERS**

**FUND MANAGERS**

## PROFILE



The Company is licensed as Stockbrokers / Dealers, Investment Advisers and Fund Managers by the Capital Markets and Securities Authority (CMSA). SOLOMON is also licensed as a Primary Dealer of Government Securities by the Bank of Tanzania (BoT).

PSSSF House, Ground Floor  
Samora Avenue / Morogoro Road  
P.O. Box 77049  
Dar es Salaam

+255 764 269090  
+255 714 269090



[research@solomon.co.tz](mailto:research@solomon.co.tz)

[@sstockbrokers](#)

[#elimuYaUwekezajiHisa](#)

[www.solomon.co.tz](http://www.solomon.co.tz)