

# DCB Bank EARNINGS HIGHLIGHTS

## Dec 2025

A photograph of a modern, multi-story building with a light-colored facade and large glass windows. A blue sign on the building reads "DCB Commercial". In front of the building, there is a green lawn and some bushes. A blue and white banner stands on the grass, displaying a list of names and titles, likely related to the company's leadership or shareholders.

DCB Commercial



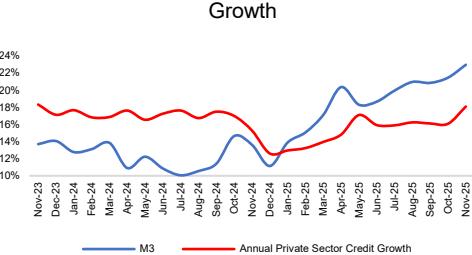
[research@solomon.co.tz](mailto:research@solomon.co.tz)



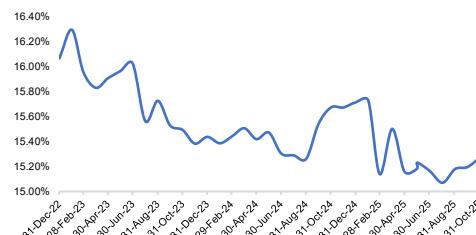
## DCB BANK PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING DEC 2025

### INDUSTRIAL OVERVIEW

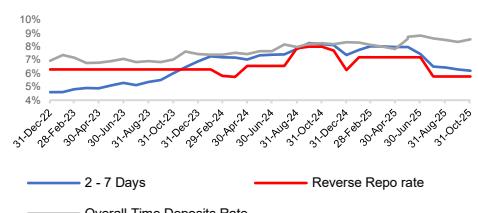
Annual M3 and Private Sector Credit Growth



Overall Lending Rate

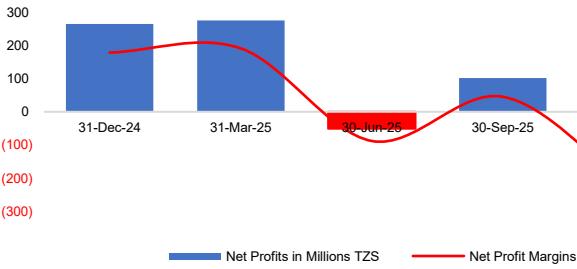


Interbank Cash Market, Reverse Repo & Overall Time Deposit Rates

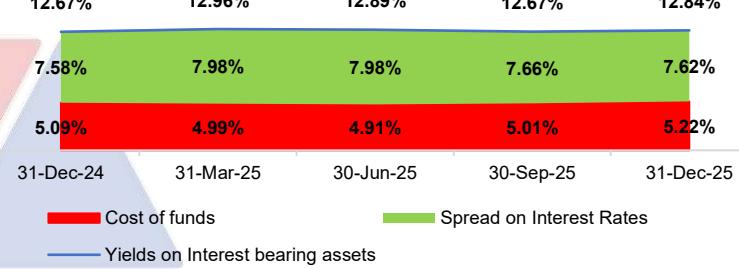


### INCOME STATEMENT ANALYSIS

DCB Profitability Trend



DCB Indicative Interest Rates



Net Profits dropped 312.75% QoQ amounting to a loss of TZS 217 million in Q4'25 from a TZS 102 million profit in Q3'25

### Possible Reasons:

Non-interest income dropped 17.19% QoQ amounting to TZS 1.35 billion largely driven by a 51.26% QoQ dip in Other Operating Income and a 3.42% dip in fees and commission income. The drop in non-interest income along with surging QoQ loan impairment charges by 229.69% from TZS 229 million in Q3'25 to TZS 755 million in Q4'25. This resulted in DCB's net operating income to record a 1.15% QoQ decline amounting to TZS 4.90 billion.

In addition to the weak net operating revenue growth, operating expenses surged 4.77% QoQ amounting to TZS 5.03 billion with this growth brought about by Other Operating Expenses growing 12.08% amounting to TZS 2.39 billion. However, cost to income ratio on a QoQ basis improved from 92.48% in Q3'25 to 88.86% in Q4'25 since the metric tends to exclude loan impairment charges from its calculations, however, the bank's cost to income ratio is still far from the Central Bank's 55% maximum limit which further deteriorates the likelihood of the bank to pay out dividends to its shareholders.

Income Statement Analysis Amounts in Billions TZS	Dec-24	Mar-25	Jun-25	Sept-25	Dec-25
Net Operating Income	5.12	5.03	4.84	4.96	4.90
Growth Rate	-2.42%	-1.68%	-3.91%	2.52%	-1.15%
Operating Expenses	4.86	4.76	4.77	4.80	5.03
Growth Rate	0.40%	-1.99%	0.25%	0.57%	4.77%

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## BALANCE SHEET STATEMENT ANALYSIS

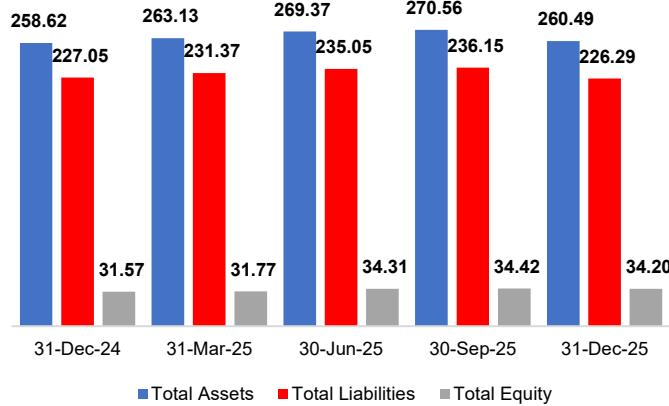
DCB's Balance sheet shrunk by 3.73% QoQ from TZS 270.56 billion as of Sept 2025 to TZS 260.49 billion as of Dec 2025

### Key Drivers:

Earning Assets shrunk by 1.32% QoQ amounting to TZS 213.60 billion in Q4'25 from TZS 216.45 billion in Q3'25 which the dip influenced by a 62.69% drop in interbank loan receivables amounting to TZS 5.78 billion and a 1.28% QoQ drop in net loans amounting to TZS 133.74 billion. Cash and Balances with the Central Bank equally saw a 17.73% drop amounting to TZS 27.11 billion.

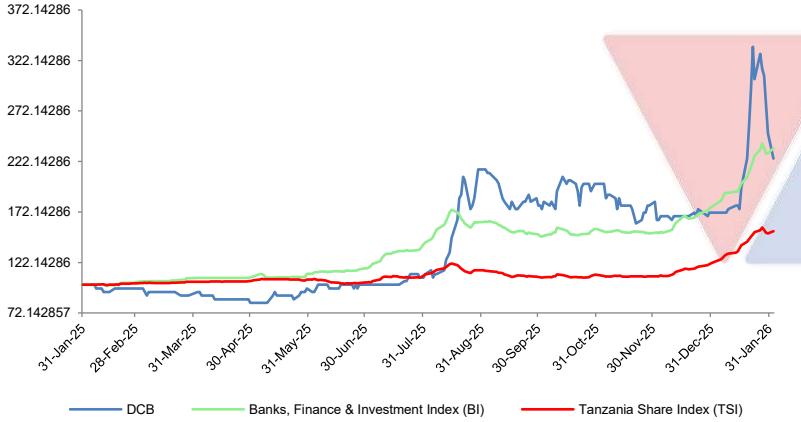
This contraction equally coincided with liabilities falling 4.18% QoQ brought about by a 1.76% QoQ drop in customer deposits amounting TZS 149.51 billion and an 8.06% drop in borrowings amounting to TZS 65.98 billion.

### Balance Sheet Highlights in Billions TZS



## INVESTORS' CORNER

### DCB Share Price Performance versus BI and TSI Index rebased at 100



### Supporting Fundamentals

Ticker	DCB
Closing Price as of 02 <sup>nd</sup> Feb 2026	TZS 315
Book Value per Share	TZS 178.52
P/B Ratio	1.76x
Trailing EPS*	TZS 0.57
P/E Ratio	553.62x
ROE	0.32%
ROA	0.04%

## CUMULATIVE REVIEW & OUTLOOK

DCB's full year results show a remarkable turnaround from a TZS 969 million loss after tax as of FY'24 to a TZS 109 million profit after tax as of FY'25. The turnaround was influenced by a 17.79% YoY growth in net interest income amounting to TZS 15.37 billion from TZS 13.04 billion the year prior due to improving yields on interest bearing assets evident with a 7.96% YoY growth in interest income amounting to TZS 34.85 billion despite interest bearing assets dipping 1.32% YoY to TZS 213.60 billion. All while interest expenses grew by a marginal 1.12% YoY amounting to TZS 19.48 billion. Non-interest expenses contracted 4.07% YoY amounting to TZS 19.36 billion with the dip influenced by a 9.71% drop in other operating expenses indicating efforts to contain the bank's general and administrative expenses. As a result of these initiatives the bank's cost to income ratio has fallen from 104.74% for the financial year 2024 to 92.88% for the financial year 2025, however, the ratio is still far off the Central Bank's 55% limit. (Est Dividend for 2026: TZS 0)

While the banking sector seems well positioned for stronger earnings growth, DCB seems to have ended 2025 on a precarious position with most of the gains consolidated throughout 2025 in its balance sheet almost wiped out evident when looking at the net balance sheet increment from Q4'24 to Q3'25 amounting to TZS 11.94 billion but from Q4'24 to Q4'25 the increment shrunk to TZS 1.86 billion while most of that deterioration was brought about by borrowing repayments amounting to TZS 6.43 billion, these repayment wasn't offset with an equivalent or greater increment in deposits, in fact deposits seem to have shrunk 20.66% YoY from TZS 188.45 billion in Dec 2024 to TZS 149.51 billion in Dec 2025. Furthermore, DCB's strategy of diversifying revenue streams towards non-funded income hasn't seem to have borne tangible output with non-funded income dipping 11.98% YoY amounting to TZS 5.47 billion with all non-interest income line items recording declines.

YTD the bank's shares have rallied 31.25% however the bank's price-to-earnings ratio stands at 553.62x its earnings which is overvalued when taken into context that the broader banking finance and investment sector's price-to earnings ratio stands at 7.67x as of 02-Feb-2026. Given the bank's current financial prospects, an exponential turnaround would be required from the bank to justify its market valuation.

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## RATIO ANALYSIS

DCB Bank Ratios:	31-Mar-24	30-Jun-24	30-Sep-24	31-Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	31-Dec-25
<b>Capital Structure:</b>								
Borrowings to Equity	89.21%	128.66%	118.83%	103.69%	113.00%	98.26%	210.40%	192.93%
Equity Multiplier	10.08	10.63	10.80	8.19	8.28	7.85	7.86	7.62
Equity to Assets Ratio	9.92%	9.40%	9.26%	12.21%	12.07%	12.74%	12.72%	13.13%
<b>Asset Quality:</b>								
NPL Ratio	6.90%	4.70%	4.30%	5.00%	6.10%	6.00%	7.00%	7.00%
NPL Coverage Ratio	59.00%	65.82%	69.14%	48.20%	41.16%	35.61%	35.23%	39.44%
<b>Management Quality:</b>								
Loan Growth	1.09%	11.52%	2.36%	-5.07%	2.47%	-1.85%	1.30%	-1.28%
Deposit Growth	-0.69%	5.44%	5.24%	-8.90%	0.68%	3.07%	-22.17%	-1.76%
Earning to Total Assets	80.50%	83.30%	80.10%	83.70%	80.40%	79.00%	80.00%	82.00%
<b>Earnings Quality:</b>								
Net Profit Margins	-32.67%	-4.02%	0.39%	-5.25%	5.46%	2.27%	2.20%	0.55%
Net Profit Growth	-371.88%	80.11%	112.97%	73.57%	124.73%	162.92%	495.43%	111.25%
Cost to Income Ratio	112.42%	106.90%	101.72%	104.74%	89.49%	95.36%	94.37%	92.88%
<b>Liquidity:</b>								
Loan to Deposit Ratio	68.60%	71.80%	69.80%	72.30%	73.70%	70.00%	91.00%	92.00%
Loan to Deposits & Borrowings	59.15%	60.05%	59.28%	60.12%	60.39%	58.33%	60.31%	62.06%

## ANALYST'S NAMES & CONTACTS

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