

MKCB Plc EARNINGS HIGHLIGHTS Dec 2025

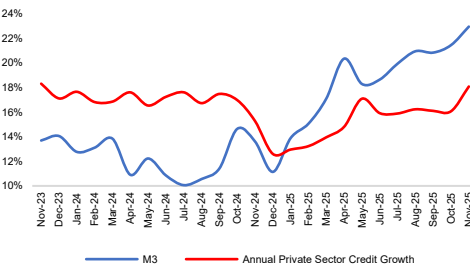




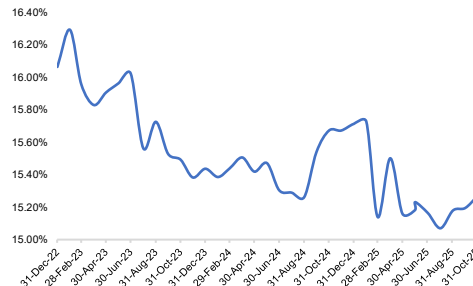
MKOMBOZI BANK PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING DEC 2025

INDUSTRIAL OVERVIEW

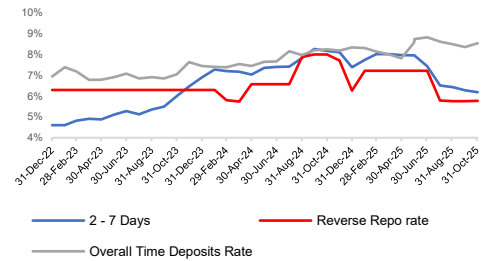
Annual M3 and Private Sector Credit Growth



Overall Lending Rate

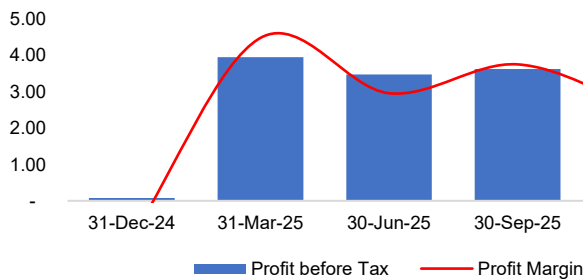


Interbank Cash Market, Reverse Repo & Overall Time Deposit Rates

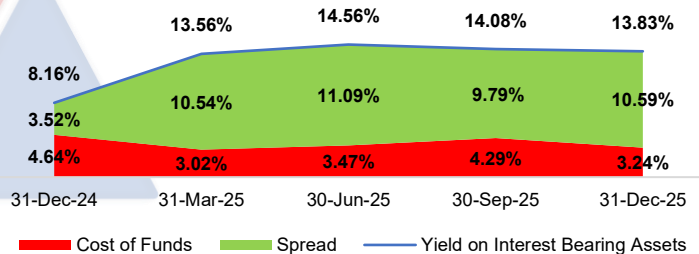


INCOME STATEMENT ANALYSIS

MKCB Profitability Trend



MKCB Indicative Interest Rates



Net Profits dropped 23.52% QoQ amounting to TZS 2.77 billion in Q4'25 from TZS 3.62 billion in Q3'25

Possible Reasons:

Operating expenses shot up 18.10% QoQ from TZS 4.66 billion in Q3'25 to TZS 5.51 billion in Q4'25 compared to MKCB's net operating income which recorded a marginal 2.39% QoQ growth amounting to TZS 9.28 billion.

The growth in operating expenses was fueled by a 26.58% QoQ rise in salaries and benefits amounting to TZS 2.87 billion from a TZS 2.27 billion low in Q3'25 despite seeing a 2.48% drop in number of employees from 201 in Q3'25 to 196 in Q4'25 possibly indicating an increment performance and bonus-related payments tied to year close. Other Operating Expenses also saw a 10.04% QoQ amounting to TZS 2.63 billion likely tied to an increase in general and administrative expenses

On the income side, the weak growth was driven by a 30.70% QoQ drop in non-interest income from TZS 3.12 billion in Q3'25 to TZS 2.16 billion in Q4'25 largely driven by a TZS 830 million drop in fees and commission income amounting to TZS 1.46 billion as well as a 33.51% drop in other operating income amounting to TZS 258 million

Improvements made:

MKCB's net interest income improved by 6.22% QoQ amounting to TZS 7.12 billion due to a 21.29% QoQ contraction in interest expenses amounting to TZS 1.97 billion compared to a 1.26% QoQ drop in Interest Income.

Income Statement Analysis Amounts in Billions TZS	Dec-24	Mar-25	Jun-25	Sept-25	Dec-25
Net Operating Income	3.76	8.61	10.32	9.06	9.28
Growth Rate	-57.89%	128.64%	19.93%	-12.20%	2.39%
Operating Expenses	3.27	3.89	6.07	4.66	5.51
Growth Rate	-38.35%	19.01%	56.17%	-23.22%	18.10%

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BALANCE SHEET STATEMENT ANALYSIS

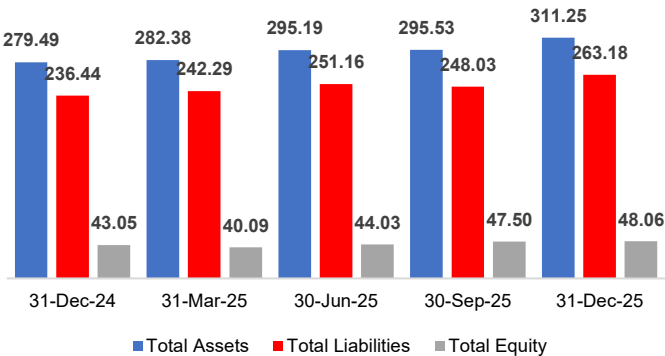
Total assets grew by 1.73% QoQ, amounting to TZS 316.63 billion in Q4'24 compared to TZS 311.26 billion in the quarter prior

Key Drivers:

A 70.40% QoQ increase in Balances with other Institutions amounting to TZS 13.16 billion, a 2.25% QoQ growth in loans amounting to TZS 188.35 billion due to increased lending towards its customers majority of whom which tend to borrow for commercial purposes and a 7.77% QoQ growth in Interbank Loan Receivables.

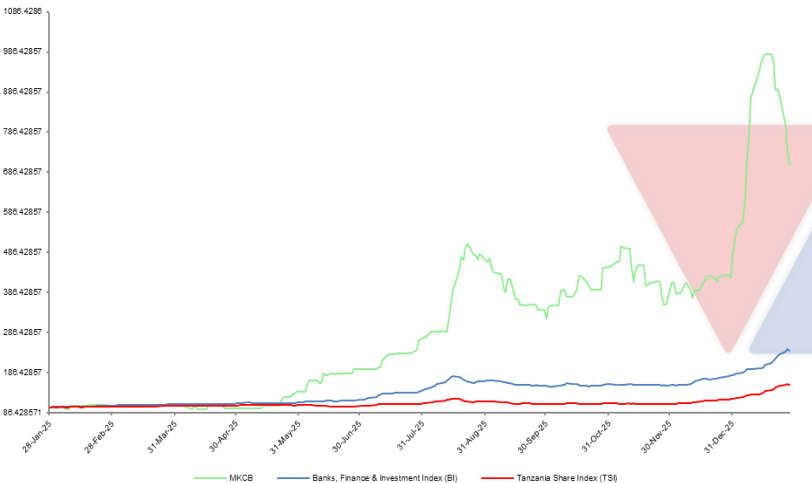
To finance this growth, total liabilities grew 1% amounting to TZS 265.81 billion largely driven by total deposits which grew 1.84% QoQ amounting to TZS 250.53 billion all while shareholders equity grew 5.73% YoY amounting to TZS 50.82 billion largely driven by stronger profits recorded throughout the year

MKCB Balance Sheet Highlights in Billions TZS



INVESTORS' CORNER

MKCB Stock market performance versus BI and TSI Index rebased at 100



Supporting Fundamentals

Ticker	MKCB
Closing Price as of 28 th Jan 2026	TZS 3,950
Book Value per Share	TZS 2,157.29
P/B Ratio	1.83x
Trailing EPS*	TZS 549.01
P/E Ratio	7.19x
ROE	25.45%
ROA	4.01%

CUMULATIVE REVIEW & OUTLOOK

Mkombozi's 2025 profits after tax grew 43.04% YoY amounting to TZS 12.93 billion as of Dec-2025 from TZS 9.04 billion as of Dec 2024. The growth was influenced by a 21.30% surge in net interest income amounting to TZS 27.43 billion following an interest income growth of 18.39% YoY closing at 35.64 billion and a slower interest expense growth of 6.62% amounting to TZS 8.21 billion, reflecting improved capabilities in managing cost of funds and maximizing net interest margins. The growth also coincides with the growth in earning assets which saw a 14.90% YoY growth amounting to TZS 262.80 billion as of Dec 2025 compared to TZS 228.73 billion the prior year

Non-Interest Income also recorded an impressive growth of 26.61% YoY amounting to TZS 10.71 billion largely driven by a 59.38% YoY growth in fees and commission income perhaps due to increased loan commitment fees, service charges, withdrawal fees and insurance commission following a 15.86% YoY growth in loans amounting to TZS 188.35 billion, a 10.36% YoY growth in deposits amounting to TZS 250 billion and the overall growth in customers and their increased usage of MKCB's digital platforms. Operating Expense growth remained controlled clocking in a 15.18% YoY growth amounting to TZS 20.41 billion causing the bank's cost to income ratio to fall from 57.03% as of full-year 2024 to 53.52% as of full year 2025.

Looking ahead, Mkombozi is anticipated to continue posting strong earnings as we head into 2026 driven by strong macro-economic prospects such as strong private sector credit demand which as of Nov-2025 saw a 18.08% YoY growth amounting to TZS 43.39 trillion and a 22.96% YoY growth in M3 money supply which currently stands at TZS 60.89 trillion. Furthermore, its developments in offering newer digital solutions and unique digital propositions catered towards hospitals, churches and schools and their strategy to expand its market share in the country could further propel its earnings. Lastly, dividends are expected to range between TZS 164.70 – TZS 274.51 with a payout ranging between 30% - 50%

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RATIO ANALYSIS

MKCB Bank Ratio Analysis:	31-Mar-24	30-Jun-24	30-Sep-24	31-Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	31-Dec-25
Capital Structure:								
Borrowings to Equity	12.23%	11.24%	16.88%	10.45%	9.54%	8.84%	8.74%	8.27%
Equity Multiplier	7.61	7.26	6.49	7.04	6.70	6.22	6.48	6.23
Equity to Assets Ratio	13.14%	13.77%	15.40%	14.20%	14.91%	16.07%	15.44%	16.05%
Asset Quality:								
NPL Ratio	9.00%	6.00%	5.00%	4.00%	4.00%	3.00%	4.00%	4.00%
NPL Coverage Ratio	342.99%	162.50%	242.09%	151.57%	143.78%	90.68%	170.46%	199.88%
Cost of Risk	0.17%	0.50%	0.49%	0.29%	0.24%	0.00%	0.40%	0.00%
Management Quality:								
Loan Growth	4.83%	2.56%	9.12%	3.75%	3.17%	6.10%	3.52%	2.25%
Deposit Growth	2.27%	2.84%	-0.53%	6.57%	2.66%	-0.64%	6.25%	1.84%
Earning to Total Assets	79.00%	77.00%	81.00%	81.00%	82.00%	85.00%	84.00%	83.00%
Earnings Quality:								
Net Profit Margins	41.53%	40.88%	40.82%	41.51%	54.82%	47.38%	44.64%	45.22%
Net Profit Growth	104.88%	59.15%	18.06%	-2.64%	26.93%	21.02%	42.69%	43.04%
Cost to Income Ratio	56.60%	55.37%	55.04%	57.03%	43.11%	52.29%	53.68%	53.52%
Liquidity:								
Loan to Deposits Ratio	69.00%	68.00%	75.00%	75.00%	76.00%	79.00%	81.00%	79.00%
Loan to Deposits & Borrowings	65.91%	65.77%	71.14%	70.32%	70.70%	75.49%	73.62%	73.94%

ANALYST'S NAMES & CONTACTS

Emmanuel Matunda
emmanuel@solomon.co.tz

www.solomon.co.tz

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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

www.solomon.co.tz

[@sstockbrokers](#)

[#elimuYaUwekezajiHisa](#)

www.solomon.co.tz