

DCB Bank profit up, interest income dips

By The Citizen Reporter

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Dar es Salaam. DCB Commercial Bank Plc recorded a pre-tax profit growth of 43 percent to Sh2.3 billion during the year which ended on December 31, 2019, up from the Sh1.6 billion recorded in the year to December 31, 2018.

The DSE-listed bank's financial statement for the fourth-quarter of last year's profit growth was due to an increase in non-interest incomes, which offset the decreased interest income.

Non-interest incomes grew to Sh4 billion from Sh3.1 billion, fuelled by an increase in fees and commissions - which jumped to Sh2.8 billion from Sh2.3 billion - and other incomes, which rose to Sh1.16 billion from Sh740 million.

Income from foreign currency dealings and transactions nearly doubled to Sh82 million from Sh43 million.

However, the statement shows that cumulative interest income went down to Sh19 billion during the year to December 31, 2019 from the Sh22 billion recorded during



DCB Commercial Bank Plc Finance director Zacharia Kapama (second left) presents the 2019 fourth quarter financial statement. Others (from left) are the DCB director of Marketing and Communications, Rahma Ngassa, Business director James Ngaluko and head of Personal Banking, Fortunata Benedict. PHOTO |

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the previous year.

Interest expenses grew to Sh7 billion, from Sh6 billion.

The bank's balance sheet recorded a tremendous growth, fuelled by a 14 percent (Sh10.1 billion) growth in customers' deposits in 2019 compared to the year before.

"With growth of customers' deposits, the bank was able to raise the amount of loans by 11 percent,

translating into Sh8.0 billion. This was higher than the growth of the loans portfolio extended during the past two years," said the bank's finance director, Mr Zacharia Kapama.

DCB Commercial Plc's gross loans reached Sh93.3 billion in 2019, from Sh90.5 billion in 2018.

It disbursed Sh60 billion in new loans in 2019. Out of the money,

Sh18 billion was extended to small and medium enterprises (SMEs) whereas Sh10 billion went to women and the youth groups.

Other sectors that benefited from the bank's loans included trade, education and construction.

Non-Performing Loans (NPLs) were contained down to 13 percent of total gross loans, down from 19 percent at the end of 2018.