DTB-K Bank – H1’2026

19th August, 2026

Below is a summary of DTB-K Bank’s H1’2026 performance:

Balance Sheet Items	H1'2025	H1'2026	y/y change
Government Securities	148.2	169.2	14.1%
Net Loans and Advances	288.5	328.0	13.7%
Total Assets	**611.5**	**675.1**	**10.4%**
Customer Deposits	483.2	534.2	10.6%
Deposits/ Branch	3.1	3.4	12.0%
Total Liabilities	510.7	560.3	9.7%
Shareholders’ Funds	**90.3**	**102.4**	**13.4%**

Balance Sheet Ratios	H1'2025	H1'2026	% Points change
Loan to Deposit Ratio	59.7%	61.4%	1.7%
Government Securities to Deposit ratio	30.7%	31.7%	1.0%
Return on average equity	11.3%	13.1%	1.8%
Return on average assets	1.6%	2.0%	0.4%

Income Statement	H1'2025	H1'2026	y/y change
Net Interest Income	15.9	20.0	26.4%
Net non-Interest Income	6.1	6.5	6.6%
Total Operating income	**21.9**	**26.5**	**20.9%**
Loan Loss provision	3.2	4.4	36.5%
Other Operating expenses	6.3	6.5	2.3%
Total Operating expenses	**14.8**	**16.6**	**12.6%**
Profit before tax	**7.2**	**9.8**	**37.0%**
Profit after tax	**5.4**	**7.3**	**35.8%**
Core EPS	**19.2**	**26.1**	**35.8%**

Income Statement Ratios	H1'2025	H1'2026	% points change
Yield from interest-earning assets	11.7%	11.6%	(0.1%)
Cost of funding	6.1%	4.8%	(1.4%)
Net Interest Spread	5.6%	6.9%	1.3%
Net Interest Income as % of operating income	72.3%	75.6%	3.3%
Non-Funded Income as a % of operating income	27.7%	24.4%	(3.3%)
Cost to Income Ratio (CIR)	67.3%	62.7%	(4.6%)
CIR without provisions	52.5%	46.0%	(6.5%)
Cost to Assets	5.1%	5.4%	0.3%
Net Interest Margin	5.9%	7.1%	1.2%

Capital Adequacy Ratios	H1'2025	H1'2026	% Points Change
Core Capital/Total Liabilities	16.3%	16.4%	0.1%
Minimum Statutory ratio	8.0%	8.0%	
Excess	**8.3%**	**8.4%**	**0.1%**
Core Capital/Total Risk Weighted Assets	15.8%	15.6%	(0.2%)
Minimum Statutory ratio	10.5%	10.5%	
Excess	**5.3%**	**5.1%**	**(0.2%)**
Total Capital/Total Risk Weighted Assets	17.3%	16.6%	(0.7%)
Minimum Statutory ratio	14.5%	14.5%	
Excess	**2.8%**	**2.1%**	**(0.7%)**
Liquidity Ratio	56.6%	56.6%	0.0%
Minimum Statutory ratio	20.0%	20.0%	
Excess	**36.6%**	**36.6%**	**0.0%**

Income Statement

- Core earnings per share (EPS) increased by 35.8% to Kshs 26.1 in H1’2026 from Kshs 19.2 in H1’2025, driven by the 20.9% growth in total operating income to Kshs 26.5 bn from Kshs 21.9 bn in H1’2025, but was however weighed down by the 12.6% increase in total operating expenses to Kshs 16.6 bn from Kshs 14.8 bn,
- The 20.9% increase in total operating income was mainly driven by a 26.4% growth in Net Interest Income (NII) to Kshs 20.0 bn, from Kshs 15.9 bn in H1’2025, coupled with a 6.6% increase in Non-Funded Income (NFI) to Kshs 6.5 bn, from Kshs 6.1 bn in H1’2025,
- Interest income increased by 9.9% to Kshs 32.3 bn in H1’2026 from Kshs 29.4 bn in H1’2025, supported by higher income deposits and placements, which grew significantly by 77.2% to Kshs 2.2 bn in H1’2026 from Kshs 1.2 bn in H1’2025, and income from loans and advances, which rose by 12.7% to Kshs 18.2 bn in H1’2026 from Kshs 16.2 bn in H1’2025. Income from government securities, however, marginally declined by 0.7% to Kshs 11.9 bn in H1’2025 from Kshs 12.0 bn in H1’2025. Consequently, the yield from interest-earning assets decreased marginally by 0.1% points to 11.6% in H1’2026 from 11.7% in H1’2025, attributable to the 7.7% increase in trailing interest income to Kshs 63.9 bn in H1’2026 from Kshs 59.3 bn in H1’2025 which was outpaced by a 8.6% increase in average interest-earning assets to Kshs 549.8 bn in H1’2026 from Kshs 506.1 bn in H1’2025,
- Interest expenses declined by 9.5% to Kshs 12.2 bn in H1’2026 from Kshs 13.5 bn in H1’2025, mainly driven by a 36.5% decrease in interest expense on deposits and placements to Kshs 0.3 bn in H1’2026 from Kshs 0.5 bn in H1’2025, coupled with a 21.9% decline in other interest expenses to Kshs 0.3 bn in H1’2026 from Kshs 0.4 bn in H1’2025 and a 8.0% decrease in interest expense on customer deposits to Kshs 11.6 bn in H1’2026 from Kshs 12.6 bn in H1’2025. Consequently, the cost of funds decreased by 1.4% points to 4.8% in H1’2026 from 6.1% in H1’2025, owing to a 16.0% decline in trailing interest expense to Kshs 24.8 bn in H1’2026 from Kshs 29.6 bn in H1’2025, compared to the 7.9% increase in average interest-bearing liabilities to Kshs 522.2 bn in H1’2026 from Kshs 483.9 bn in H1’2025,
- Net Interest Margin (NIM) increased by 1.2% points to 7.1% in H1’2026 from 5.9% in H1’2025, attributable to an 31.3% growth in trailing net interest income to Kshs 39.1 bn in H1’2026 from Kshs 29.8 bn in H1’2025,

which outpaced the 8.6% increase in average interest-earning assets to Kshs 549.8 bn in H1’2026 from Kshs 506.1 bn in H1’2025,

- Non-Funded Income (NFI) increased by 6.6% to Kshs 6.5 bn in H1’2026 from Kshs 6.1 bn in H1’2025, mainly driven by a 27.0% increase in other income to Kshs 1.9 bn from Kshs 1.5 bn and a 14.9% increase in fees and commissions on loans to Kshs 1.3 bn from Kshs 1.2 bn in H1’2025. This was, however, weighed down by an 5.2% decrease in FX trading income to Kshs 1.4 bn from Kshs 1.5 bn in H1’2026 and a 4.5% decrease in other fees to Kshs 1.8 bn from Kshs 1.9 bn in H1’2025. The revenue mix shifted to 76:24, from 72:28 for the funded to Non-funded income owing to the faster 26.4% growth in Funded Income which outpaced the 6.6% increase in the Non-Funded Income,
- Total operating expenses increased by 12.6% to Kshs 16.6 bn in H1’2026 from Kshs 14.8 bn, driven by an 36.5% increase in loan loss provisions to Kshs 4.4 bn from Kshs 3.2 bn and a 10.4% increase in staff costs to Kshs 5.7 bn from Kshs 5.2 bn in H1’2026,
- The cost-to-income ratio (CIR) decreased by 4.6% points to 62.7% from 67.3%, owing to the 20.9% increase in total operating income, which was outpaced by the 12.6% growth in total operating expenses. Notably, CIR without LLP decreased by 6.5% points to 46.0%, from 52.5% recorded in H1’2025,
- Profit before tax increased by 37.0% to Kshs 9.8 bn in H1’2026 from Kshs 7.2 bn in H1’2025, with effective tax rate increasing to 25.8% in H1’2026, from 25.2% in H1’2025, leading to a 35.8% increase in profit after tax to Kshs 7.3 bn in H1’2026, from Kshs 5.4 bn in H1’2025,

Balance Sheet

- The balance sheet recorded an expansion, with total assets increasing by 10.4% to Kshs 675.1 bn in H1’2026 from Kshs 611.5 bn in H1’2025, driven by a 13.7% increase in net loans and advances to Kshs 328.0 bn in H1’2026 from Kshs 288.5 bn in H1’2025, coupled with a 14.1% growth in government securities holdings to Kshs 169.2 bn in H1’2026 from Kshs 148.2 bn in H1’2025.
- Total liabilities increased by 9.7% to Kshs 560.3 bn in H1’2026 from Kshs 510.7 bn in H1’2025, attributable to a 10.6% increase in customer deposits to Kshs 534.2 bn in H1’2026 from Kshs 483.2 bn in H1’2025. With 156 branches, compared to 158 branches in H1’2025, deposits per branch increased by 12.0% to Kshs 3.4 bn, from Kshs 3.1 bn in H1’2025.
- The 10.6% growth in customer deposits, which was outpaced by the 13.7% increase in net loans, led to 1.7% points increase in the loan-to-deposit ratio to 61.4% in H1’2026 from 59.7% in H1’2025,
- Asset quality improved, with the gross NPL ratio declining by 0.7% points to 12.2% in H1’2026 from 12.9% in H1’2025, as gross loans increased by 15.1% to Kshs 353.0 bn in H1’2026 from Kshs 306.7 bn in H1’2025, outpacing the 8.7% increase in gross non-performing loans to Kshs 43.1 bn in H1’2026 from Kshs 39.6 bn in H1’2025.
- General Provisions (LLP) increased by 36.3% to Kshs 23.5 bn in H1’2026 from Kshs 17.2 bn in H1’2025. The NPL coverage ratio increased by 12.2% to 58.2% in H1’2026 from 45.9% in H1’2025, attributable to the increase in general provisions coupled with a 60.7% increase in interest in suspense to Kshs 1.6 bn in H1’2026 from Kshs 1.0 bn in H1’2025, which outpaced the 8.7% increase in gross non-performing loans,
- Shareholders’ funds increased by 13.4% to Kshs 102.4 bn in H1’2026 from Kshs 90.3 bn in H1’2025, supported by a 13.9% growth in retained earnings to Kshs 78.9 bn in H1’2026 from Kshs 69.3 bn in H1’2025.
- DTB-K Bank remains well-capitalized, with the core capital to total risk-weighted assets ratio standing at 15.6% in H1’2026, which is 5.1% points above the statutory minimum of 10.5%. Additionally, the total capital to total risk-weighted assets ratio came in at 16.6% in H1’2026, exceeding the statutory requirement of 14.5% by 2.1 % points

- The bank currently has a Return on Average Assets (ROaA) of 2.0% in H1’2026 from 1.6% in H1’2025 and a Return on Average Equity (ROaE) of 13.1% in H1’2026 from 11.3% in H1’2025

Key Take-Outs:

1. **Increased earnings -** Core earnings per share (EPS) increased by 35.8% to Kshs 26.1 in H1’2026 from Kshs 19.2 in H1’2025, driven by the 20.9% growth in total operating income to Kshs 26.5 bn from Kshs 21.9 bn in H1’2025, but was however weighed down by the 12.6% increase in total operating expenses to Kshs 16.6 bn from Kshs 14.8 bn.
2. **Improved asset quality –** The bank’s asset quality improved, with the gross NPL ratio declining by 0.7% points to 12.2% in H1’2026 from 12.9% in H1’2025, as gross loans increased by 15.1% to Kshs 353.0 bn in H1’2026 from Kshs 306.7 bn in H1’2025, outpacing the 8.7% increase in gross non-performing loans to Kshs 43.1 bn in H1’2026 from Kshs 39.6 bn in H1’2025.
3. **Expanded Balanced sheet** - The balance sheet recorded an expansion, with total assets increasing by 10.4% to Kshs 675.1 bn in H1’2026 from Kshs 611.5 bn in H1’2025, driven by a 13.7% increase in net loans and advances to Kshs 328.0 bn in H1’2026 from Kshs 288.5 bn in H1’2025, coupled with a 14.1% growth in government securities holdings to Kshs 169.2 bn in H1’2026 from Kshs 148.2 bn in H1’2025.
4. **Increased lending**- Customer net loans and advances increased by 13.7% to Kshs 328.0 bn in H1’2026 from Kshs 288.5 bn in H1’2025, reflecting the bank’s continued appetite to expand customer lending.

Going forward, the factors that would drive the bank’s growth would be:

- **Revenue Diversification**: The lender has an opportunity to grow its non-funded income streams, which increased by 6.6% to Kshs 6.5 bn in H1’2026 from Kshs 6.1 bn in H1’2025. DTB has continued to broaden its product offering across diaspora banking, micro and small enterprises, bancassurance, insurance and digital financial services. Its diaspora proposition provides customers with accounts in multiple currencies and access to digital banking services, while products such as DTB Weza provide instant short-term digital credit. Continued development of these products, alongside transaction-based services and other fee-generating solutions, could strengthen the bank’s non-interest revenue base and provide greater diversification of earnings,
- **Digital Transformation**: Continued investment in digital banking infrastructure provides DTB with an opportunity to deepen customer engagement, improve operational efficiency and expand its market reach. The bank currently offers mobile banking through its m24/7 app and USSD, internet banking and API banking, while DTB Weza enables customers to access short-term digital credit directly through digital channels. DTB has also highlighted digital investment as an important part of its strategy to improve customer service and expand access to financial services. Going forward, greater use of digital channels and customer data could support faster credit decisions, more targeted product offerings and increased customer retention, while reducing the cost of serving customers and creating opportunities to grow transaction volumes and market share

Valuation Summary

- We are of the view that DTB-K Bank is a “Hold” with a target price of Kshs 180.2 representing an upside of 4.0%, from the current price of Kshs 173.3 as of 21st August 2026.

- DTB-K Bank is currently trading at a P/TBV of 0.5x and a P/E of 3.8x vs an industry average of 1.3x and 6.5x respectively.