



KENYA EQUITIES: INDICES & MARKET METRICS MOVEMENT done

Index	0 wk	1 wk	1 m	3 m	6 m	12 m	Y-T-D
NASI	148.33	(0.00)	(0.01)	(0.07)	(0.04)	(0.13)	0.06
NSE-20	2,586.68	(0.02)	(0.03)	(0.08)	(0.13)	(0.22)	(0.09)
DBIB Select	85.66	(0.00)	0.01	(0.03)	(0.04)	(0.08)	0.00
FTSE 15	186.52	0.00	0.00	(0.04)	(0.04)	(0.14)	0.08
FTSE 25	194.78	(0.00)	0.00	(0.05)	(0.02)	(0.13)	0.10
FTSE Frontier 50	48,513.78	(0.00)	0.00	0.07	0.05	(0.03)	0.12

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	0 wk	1 wk	1 m	3 m	6 m	12 m
Market Cap. (USD m)	2,259.78	(0.00)	(0.01)	(0.06)	(0.02)	(0.11)
Market Turnover (USD m)	21.49	(0.17)	0.03	0.06	(0.64)	(0.30)
Market P/E (x)	14.26	0.01	(0.02)	(0.04)	0.15	0.09
Market Div. yld (%)	6.29	0.00	0.01	0.08	0.38	0.54
Market ROE (%)	36.44	(0.02)	(0.03)	(0.03)	(0.02)	0.12

(Source: NSE, DBIB Research)

KENYA FIXED INCOME: YIELDS & MARKET METRICS MOVEMENT

	0 wk	1 wk	1 m	3 m	6 m	12 m
FTSE Bond Index	98.28	0.00	0.00	0.01	0.03	0.04
Market Turnover (USD m)	185.07	0.19	0.07	0.92	0.05	0.93
91-day T-Bill (%)	6.55	(0.01)	(0.02)	(0.10)	(0.07)	(0.14)
5 year rate (%)	10.18	(0.01)	(0.01)	(0.05)	(0.11)	(0.14)
Interbank Lending (%)	2.51	(0.04)	0.14	(0.57)	(0.54)	(0.70)

(Source: CBK, NSE)

KENYA MACRO METRICS MOVEMENT

	0 wk	1 wk	1m	3m	6m	12m
KES/USD	103.23	0.01	(0.01)	(0.02)	(0.00)	(0.00)
KES/GBP	124.91	0.04	(0.26)	0.22	0.00	(0.01)
KES/EUR	113.99	0.02	(0.00)	(0.03)	0.02	0.01
Fx reserve: Import Cover	6.04	0.03	0.30	0.89	0.71	0.20
Inflation	6.27	-	-	78	213	223
CBR	9.00	-	-	-	-	-

(Source: CBK, NSE)

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IN THIS WEEK'S ISSUE...

Weekly equity turnover declined 17.1% w-o-w to close at USD 21.5 MN (KES 2.2 BN).

Both **NSE 20** and **NASI** indices declined by 2.5% and 0.4% w-o-w to close at 2,586.68 and 148.33.

EQUITY MARKET SUM UP

Weekly equity turnover declined 17.1% w-o-w to close at USD 21.5 MN (KES 2.2 BN). Both NSE 20 and NASI indices declined by 2.5% and 0.4% w-o-w to close at 2,586.68 and 148.33 respectively.

The banking sector recorded a 24.9% w-o-w drop in turnover to KES 0.81 BN. 3 stocks advanced ,7 declined and 2 held constant during the week. HF Group emerged top loser shedding 4.0% w-o-w to KES 4.06 whereas Barclays emerged top gainer rising 2.9% w-o-w to close at KES 10.70.

Week-on-Week Performance

Top gainers	%	Top Losers	%	Top Traders	USD m
Sameer Africa	8.9	Trans-Century	(17.1)	Safaricom	5.97
Flame Tree	5.1	Williamson Tea	(14.5)	E.A Breweries	3.24
Barclays Bank	2.9	Kenya Airways	(12.9)	Equity Group	2.92
Stanbic	2.6	Olympia Capital	(10.0)	KCB Group	2.51
CIC Insurance	2.6	Kapchorua Tea	(9.9)	B.A.T (K)	2.46

(Source: NSE, DBIB Research)

Y-T-D Performance

Top gainers	%	Top Losers	%
Sameer Africa	144.9	Uchumi	(56.3)
Longhorn	73.5	Kenya Airways	(52.0)
Safaricom	23.9	Mumias Sugar	(37.9)
Express Kenya	23.6	Nation Media	(31.1)
I&M Holdings	22.4	B.A.T (K)	(29.4)

(Source: NSE, DBIB Research)

Weekly Foreign Performance

Top Weekly Buys	% Purchase	Top Weekly Sales	% Sold
Bank of Kigali	100.0	Bank of Kigali	100.0
B.A.T (K)	97.8	DTB BNK	98.2
E.A Breweries	97.1	B.A.T (K)	95.6
Equity	90.0	E.A Breweries	88.9
Safaricom	81.5	Safaricom	85.9

(Source: NSE, DBIB Research)

Y-T-D Foreign Performance

Top Foreign Buys	% Purchase	Top Foreign Sales	% Sold
Bank of Kigali	99.9	Bank of Kigali	100.0
B.A.T (K)	97.6	Kakuzi	95.6
Umeme	97.1	B.A.T (K)	90.8
Crown paints	86.9	Jubilee	85.9
E.A. Breweries	83.4	Safaricom	78.7

(Source: NSE, DBIB Research)

FROM THE FIXED INCOME DESK

This week, bond turnover advanced by 19.4% w-o-w to USD 185.1 MN

This week, bond turnover advanced by 19.4% w-o-w to USD 185.1 MN. IFB1/2018/20yr remained as most traded bond during the week recording a turnover of KES 3.2 BN. This accounted for 16.5% of total turnover. The infrastructure bond traded between 11.95% and 11.20%

FXD 3/2019/10 & FXD 1/2019/20 August Primary bond issues.

The government issued a new fixed income bond issue number FXD 3/2019/10 and reopened FXD 1/2019/20 seeking to raise a total of KES 50.0 BN. The amount raised is to go towards budgetary support. The coupon rate for the 10 year bond is market determined whereas the 20-year bond attracts a coupon rate of 12.87%. The two bonds are on sale between 01/08/19 and 13/08/19.

Top Trades for the Week ending 2 August 2019.

						Total
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (%)	Value (KES m)
1-Aug	FXD1/2019/15Yr	14.5	12.857	12.200	104.520	1,400.0
30-Jul	FXD 1/2019/2Yr	1.5	10.701	9.050	102.293	983.3
29-Jul	IFB 1/2018/20Yr	19.3	11.950	11.050	108.216	710.0
31-Jul	FXD3/2019/15Yr	15.0	12.340	12.150	101.363	570.0
29-Jul	FXD1/2012/15Yr	8.1	11.000	11.300	102.420	500.0
30-Jul	FXD1/2012/15Yr	8.1	11.000	11.150	103.232	500.0
30-Jul	FXD2/2018/15Yr	14.2	12.750	12.125	107.610	500.0
1-Aug	FXD3/2019/15Yr	15.0	12.340	12.190	101.121	500.0
1-Aug	IFB 1/2018/20Yr	19.2	11.950	10.800	110.064	500.0
30-Jul	IFB 1/2018/15Yr	13.5	12.5	11.000	109.546	450.0

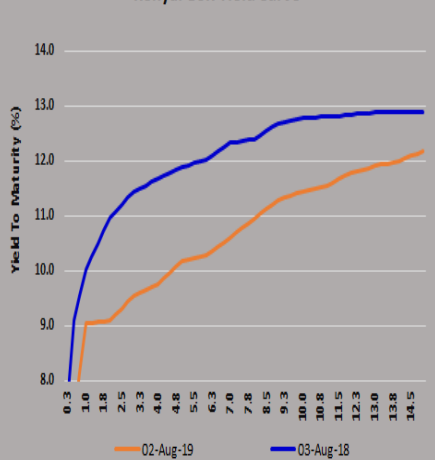
(Source: NSE, DBIB Research)

Treasury Bill auction for the week ending 2 August 2019.

Instrument	Amount Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.0	8.209	205.2	8.209	6.547 (4.5)
182-day	10.0	7.755	77.55	3.907	7.254 (11.1)
364-day	10.0	17.042	170.42	11.888	9.038 5.0

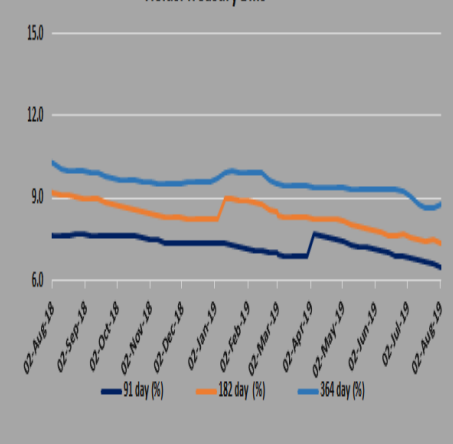
(Source: NSE, DBIB Research)

Kenya: GoK Yield Curve



(Source: CBK, DBIB Research)

Yields: Treasury Bills



(Source: CBK, DBIB Research)

EAC MARKETS SNAPSHOT

Rwanda: The RSE RSI and RASI indices dropped 0.9% and 0.01% w-o-w to close at 125.56 and 135.93 respectively.

Tanzania: The DSE TSI and DSEI indices dropped 0.1% and 1.1% w-o-w to close at 3295.90 and 1923.37 respectively.

Rwanda: The RSE RSI and RASI indices dropped 0.9% and 0.01% w-o-w to close at 125.56 and 135.93 respectively. Weekly turnover stood at RWF 6.7 MN compared to RWF 23.3 MN recorded the past week.

Tanzania: The DSE TSI and DSEI indices dropped 0.1% and 1.1% w-o-w to close at 3,295.90 and 1923.37 respectively. Total weekly turnover stood at TZS 1.2 BN compared to TZS4.1 BN reported the previous week.

	Week's High (L.C)	Week's Low(L.C)	Current Price (L.C)	Price (KES)	w-o-w change %	y-t-d change %	Turnover (L.C MN)	Turnover (KES MN)
Rwanda Stock Exchange (RSE)								
Bank of Kigali	275	274	275	276	0.4	(1.1)	0.69	0.08
Bralirwa	140	140	140	140	(3.4)	(6.7)	0.11	0.01
Cyrstal Telecom Ltd	60	59	60	54	1.7	15.4	5.90	0.66
I&M Rwanda	90	90	90	90	0.0	(1.1)	2.88	0.32
Dar Es Salaam Stock Exchange (DSE)								
African Barrick Gold (ACA)	6,000	6,000	6,000	6,000	0.0	12.8	-	-
CRDB Bank	105	100	100	130	(4.8)	(31.0)	1,101.05	49.44
Dar Es Salaam Community Bank (DCB)	340	340	340	300	0.0	0.0	-	-
DSE	1,100	1,080	1,080	1,280	(1.8)	(26.0)	17.34	0.78
Maendeleo (MBP)	490	490	490	490	0.0	(2.0)	-	-
National Microfinance Bank (NMB)	2,000	2,000	2,000	2,000	0.0	1.0	-	-
Precision Air Services (PAL)	400	400	400	400	0.0	0.0	-	-
Swissport Tanzania (SWIS)	1,600	1,600	1,600	1,660	0.0	(31.6)	0.04	0.00
Tanzania Breweries (TBL)	11,400	9,700	11,400	11,000	17.5	(11.6)	2.05	0.09
Tanga Cement Company (TCCL)	600	600	600	600	0.0	(6.3)	0.00	0.00
Tanzania Cigarette Company (TCC)	17,000	17,000	17,000	14,500	0.0	0.0	-	-
Tanzania Portland Cement (TPCC)	2,060	2,060	2,060	2,200	0.0	(1.0)	1.11	0.05
Tanzania Tea Packers (TTP)	120	120	120	120	0.0	0.0	-	-
TOL Gases	660	600	660	600	10.0	0.0	21.02	0.94
Swala	490	490	490	475	0.0	0.0	-	-
Mucoba Bank	400	400	400	400	0.0	0.0	-	-
YETU	550	550	550	600	0.0	(8.3)	-	-
MCB	430	430	430	430	0.0	(14.0)	-	-
MKCB	800	800	800	800	0.0	0.0	-	-
Vodacom	800	760	800	700	0.0	6.7	0.90	0.04
TICL	350	350	350	350	0.0	(9.1)	-	-
NICO	185	175	175	170	0.0	(35.2)	7.19	0.32

(Source: RSE, DSE, DBIB Research)

*L.C refers to Local Currency

Kenya Market News

Equity Holdings 1H19 Earnings

Equity released their 1H19 earnings posting a 9.1% y-o-y to KES 12.0 BN. Interest income rose 9.2% y-o-y to KES 27.7 BN following an 8.9% y-o-y growth in interest income from loans to KES 18.6 BN

Equity Group released their 1H19 earnings posting a 9.1% y-o-y increase in profit after tax to KES 12.0 BN. Interest income rose 9.2% y-o-y to KES 27.7 BN following an 8.9% y-o-y growth in interest income from loans to KES 18.6 BN and a 7.9% y-o-y rise in interest income from government securities to KES 8.5 BN. Interest income from deposits with other banks recorded a 56.2% y-o-y jump to KES 507.7 MN. Interest expense advanced by 14.3% y-o-y to KES 6.6 BN on the back of a 16.0% y-o-y increase in interest paid on deposits to KES 5.2 BN. Total non-funded income grew by 25.6% y-o-y to KES 16.5 BN driven by an 80.7% y-o-y rise in other income to KES 4.7 BN. Total fees and commission income advanced by 10.8% y-o-y to KES 10.0 BN whereas net income from forex trading rose by 20.2% y-o-y to KES 1.9 BN. Operating expenses (less loan loss provisions) stood at KES 19.7 BN compared to KES 16.5 BN. As a result, operating income recorded a 10.1% y-o-y growth to KES 17.9 BN. Cost to income ratio recorded a 203 bps y-o-y rise to 52.4%. Loan loss provisions grew by 16.7% y-o-y to KES 918.5 MN.

The loan book expanded by 16.7% y-o-y to KES 320.9 BN whereas customer deposits grew by 16.5% y-o-y to KES 458.6 BN. As a result the loan to deposit ratio slightly rose 11 bps y-o-y to 70.0%. Investment securities advanced by 13.0% y-o-y to KES 179.6 BN. Deposits due from banks rose 30.3% y-o-y to KES 179.6 BN. On the other hand, borrowed funds rose to KES 51.4 BN compared to KES 49.1 BN in 1H18. Total shareholder funds rose 19.0% y-o-y to KES 102.7 BN. Gross non-performing loans grew by 19.6% y-o-y to KES 29.2 BN whereas interest in suspense rose 16.8% y-o-y to KES 3.6 BN placing total NPL at 25.7 BN (+20.0% y-o-y). Overall, non-performing loans ratio slightly rose 19 bps y-o-y to 8.4%. (Source: Company Filings, DBIB Research).

CIC insurance Group 1H19 Earnings

CIC released their 1H19 earnings posting a profit after tax of KES 20.9 MN compared to KES 537.1 MN posted in 1H18 amid a 0.1% y-o-y growth in total income to KES 8.7 BN and a 6.6% y-o-y increase in total expenditure to KES 8.3 BN.

CIC released their 1H19 earnings posting a profit after tax of KES 20.9 MN compared to KES 537.1 MN posted in 1H18 amid a 0.1% y-o-y growth in total income to KES 8.7 BN and a 6.6% y-o-y increase in total expenditure to KES 8.3 BN. Gross written premiums advanced by 6.8% y-o-y to KES 9.6 BN. The general business unit accounted for 63.0% of gross written premiums followed by life assurance and regional subsidiaries at 27.0% and 10.0% respectively. Net earned premiums was up 0.4% y-o-y to KES 7.1 BN. Investment and other income slightly declined by 1.0% y-o-y to KES 1.6 BN. Net claims and policy holder benefits rose 7.9% y-o-y to KES 5.0 BN whereas operating and other expenses rose 4.5% y-o-y to KES 3.2 BN. Overall, operating profit declined by 50.9% y-o-y to KES 480.1 MN. Finance costs slightly rose 0.4% y-o-y to KES 336.2 MN whereas the share of profit from associate stood at KES 2.9 MN. As a result, profit before tax declined 77.2% y-o-y to KES 147.0 MN. This was occasioned by loss incurred by the life business stemming from adverse group life claims recorded in 1Q19. Management does not expect this to reoccur. Total assets rose 9.9% y-o-y to KES 36.0 BN. Insurance liabilities advanced 12.1% y-o-y to KES 20.6 BN whereas borrowings rose 0.5% y-o-y to KES 5.1 BN. Overall, total liabilities stood at KES 28.3 BN. Total equity rose 2.9% y-o-y to KES 7.7 BN. (Source: Company Filings, DBIB Research).

Kenya Reinsurance Corporation (Kenya Re) IH19 Earnings

Kenya Re released their 1H19 earnings posting a 12.5% y-o-y drop in profit after tax to KES 1.1 BN amid a 13.3% y-o-y rise in total income to KES 9.4 BN and a 22.7% y-o-y increase in total claims, benefits and other expenses to KES 8.0 BN.

Kenya Re released their 1H19 earnings posting a 12.5% y-o-y drop in profit after tax to KES 1.1 BN amid a 13.3% y-o-y rise in total income to KES 9.4 BN and a 22.7% y-o-y increase in total claims, benefits and other expenses to KES 8.0 BN. Gross written premiums advanced by 39.9% to KES 8.9 BN whereas retrocession premiums advanced by 49.9% y-o-y to KES 594.4 MN. As a result, net earned premium rose 16.6% y-o-y to KES 7.4 BN. The short term business accounted for 91.2% of gross written premiums while the long term business accounted for 8.8%. Investment income was relatively flat at 1.9 BN (+2.1% y-o-y). Net claims and benefits saw a 48.6% y-o-y jump to KES 5.0 BN following a 47.5% y-o-y increase in gross claims incurred and policy holder benefits to KES 5.3 BN and a 30.4% y-o-y rise in reinsurance share of claims and policy holder benefits to KES 285.3 MN. This saw a 1,447 bps y-o-y increase in claims ratio to 67.2%. Acquisition costs rose 10.9% y-o-y to KES 2.0 BN whereas operating and other expenses advanced by 23.0% y-o-y to KES 916.6 MN. Overall, expense ratio stood at 85.2% compared to 60.6% in IH18. Provisions for doubtful debts declined 83.8% y-o-y to KES 100.7 MN. Overall, profit after tax margin slightly declined by 481 bps y-o-y to 14.5%. Total equity stood at KES 29.2 BN compared to KES 28.4 BN posted in IH18. Total assets advanced by 3.3% y-o-y to KES 45.8 BN on the back of a 5.0% y-o-y increase in government securities to KES 15.0 BN. This accounted for 32.8% of total assets. Total liabilities rose 4.2% y-o-y to KES 29.2 BN with short term reinsurance contracts increasing 4.6% y-o-y to KES 6.3 BN and long term reinsurance contracts remaining relatively flat at KES 2.6 BN. Net cash generated from operating activities declined 11.5% y-o-y to KES 2.1 BN whereas net cash used in investment activities was at a negative position of KES 529.7 MN compared to positive position of KES 381.8 MN recorded in IH18.

Whereas the company enjoys a stable income stream from the 20.0% cessation from local insurance companies, market domestication of other markets continues to affect its top line performance. (Source: Company Filings, DBIB Research)

Stanlib Fahari I-REIT 1H19 Earnings

Stanlib Fahari I-REIT released its half year results ending 30th June 2019 to record a 21.2% y-o-y jump in profit to KES 76.4 MN.

Stanlib Fahari I-REIT released its half year results ending 30th June 2019 to record a 21.2% y-o-y jump in profit after tax to KES 76.4 MN. Rental and related income went up 28.9% y-o-y to KES 170.7 MN driven by an increase in rental and service income from Starling Park which was acquired in May 2018. Interest income declined 68.8% y-o-y to KES 13.2 MN on account of lower cash position following Starling Park acquisition (KES 850.0 MN). Operating expense recorded a 3.7% y-o-y reduction to KES 107.4 MN impelled by a 20.3% y-o-y decrease in fund operating expenses to KES 58.6 MN. Property expenses on the other hand rose 28.2% y-o-y to KES 48.8 MN offsetting part of the savings made from fund operations. Non-current assets grew 3.7% y-o-y to KES 3.4 BN while current assets declined 16.8% y-o-y to KES 338.2 MN. Total assets stands at KES 3.8 BN representing a 1.5% y-o-y rise. Liabilities dropped by 10.6% y-o-y to KES 113.8 MN. Management completed work on the 3 screen cinema at Greenspan Mall in May 2019 and expects to launch the cinema on 30th August 2019. The cinema is expected to increase the Mall's entertainment offering which will in turn increase foot traffic. (Source: Company Filings, DBIB Research).

WPP Plc to sell off 60.0% of its shareholding in Kantar

WPP Scangroup released a cautionary statement stating that WPP Plc its majority shareholder entered into an agreement to sell 60.0% of its shareholding in Kantar to Bain Capital Private Equity.

WPP Scangroup released a cautionary statement stating that WPP Plc its majority shareholder entered into an agreement to sell 60.0% of its shareholding in Kantar to Bain Capital Private Equity. The transaction is expected to result in a material change in WPP Scangroup's control of Kantar's business in Africa. TNS Kantar (acquired in 2018) is part of research business of WPP Scangroup and has a sizable market share in Nigeria. This saw revenue contribution from Nigeria rise from 6.0% to 11.0% in FY18. According to WPP Plc the move is aimed at reducing leverage and simplifying WPP's structure. The transaction is expected to raise USD 3.1 BN where WPP Plc is looking to return 1.0 BN sterling pounds to shareholders and 1.5 sterling pounds in de leveraging. The transaction is expected to be completed by 2020 subject to receipt of various approvals. (Source: Company Filings, DBIB Research)

East African Cables FY18 Earnings

East African cables released their FY18 earnings posting a loss of KES 568.4 MN compared to a loss of KES 662.8 MN recorded in FY17 amid a 30.4% y-o-y drop in revenue to KES 1.6 BN and a 6.6% decline in total operating costs to KES 597.0 MN.

East African cables released their FY18 earnings posting a loss of KES 568.4 MN compared to a loss of KES 662.8 MN recorded in FY17 amid a 30.4% y-o-y drop in revenue to KES 1.6 BN and a 6.6% decline in total operating costs to KES 597.0 MN. Cost of sales declined 31.2% y-o-y resulting in a 28.5% y-o-y drop in gross profits to KES 1.6 BN. Other income advanced from KES 8.9 MN in FY17 to KES 61.9 MN in FY18. Factory and administrative costs dropped 5.5% and 6.8% y-o-y to KES 197.3 MN and KES 325.7 MN respectively. Current assets rose 17.3% y-o-y to KES 5.5 BN whereas non-current assets declined 34.7% y-o-y to KES 1.1 BN. Overall, total assets contracted 6.2% y-o-y to KES 6.6 BN. Total shareholder funds stood at KES 1.5 BN compared to KES 1.8 BN in FY17. Cash generated from operating activities rose 157.6% y-o-y to KES 311.3 MN whereas cash from investing activities was at a negative position of KES 3.9 MN compared to a negative position of KES 68.7 MN in FY17. Cash and cash equivalents at the end of the year declined 24.1% y-o-y to KES 166.7 MN.

The business recently completed a debt restructure that saw a KES 1.7 BN reduction in commercial bank debt and extended tenure to 10 years with principal and moratorium of 2 years and 6 months respectively. This will reduce short term debt service cash outflow thus allowing the company to ramp up production hence growing the top line. Further, the company is focusing on cost optimisation initiatives in a bid to improve the bottom line. The government big four agenda coupled with power infrastructure projects in the region are expected to drive revenue growth. (Source: Company Filings, DBIB Research).

July inflation Rises to 6.27%

Overall inflation, in the month of July rose to 6.27% compared to 5.70% recorded in June 2019.

Overall inflation, in the month of July rose to 6.27% compared to 5.70% recorded in June 2019. Food and non-alcoholic beverages index (which accounts for 36.0% of the weighting) declined 1.0% relative to a 1.6% decline recorded in June 2019. This drop was mainly attributed to decrease in price of potatoes, sukuma wiki, tomatoes, cabbages and milk. The decline in price of these commodities outweighed the observed increase in the cost of other commodities like maize. Alcoholic beverages, tobacco and narcotics index increased by 0.8% driven by an increase in price of cigarettes. The transport Index increased by 0.2% on account of increase in pump price of petrol despite the decrease in the pump price of diesel, during the same period. (Source: KNBS, DBIB Research).

Transcentury FY18 Earnings

Transcentury released their FY18 earnings posting a loss after tax of KES 3.5 BN compared to a loss of KES 4.3 BN posted in FY17. Revenue recorded a 25.0% y-o-y drop to KES 4.3 BN following working capital challenges whereas cost of sales declined by 32.9% y-o-y to KES 3.4 BN. This resulted in a 37.6% y-o-y increase in gross profit to KES 882.3 MN as the company focused on high profit margins businesses which compensated for the lower revenue levels. Other income rose from KES 52.8 MN in FY17 to KES 435.4 MN in FY18. Operating expenses rose 15.7% y-o-y to KES 2.2 BN as net finance costs advanced by 44.4% y-o-y to KES 1.6BN partly attributable to a 12.3% y-o-y increase in interest expense to KES 1.2 BN. Total assets recorded an 11.1% y-o-y contraction to KES 16.7 BN driven by a 34.9% y-o-y drop in current assets to KES 3.8 BN. Non-current liabilities and current liabilities rose 11.4% and 4.2% y-o-y to KES 5.0 BN and KES 14.9 BN respectively. As a result total liabilities advanced by 5.9% y-o-y to KES 20.0 BN. Net cash flows from operating activities stood at KES 453.8 MN compared to KES 1.6 BN in FY17. Net cash flows from investing activities stood at a positive position of KES 1.7 MN. Cash and cash equivalents was at a positive position of KES 168.4 MN compared to a negative position of KES 35.4 MN in FY17.

Recently the company restructured its capital structure and thus its debt service. This transaction saw KES 4.8 BN restructured between 7-10 years with a reduction of KES 1.6 BN post year end. The management believes its new Ahidi 2018-2022 strategy will enable it improve its performance. (Source: Company Filings, DBIB Research).

East African Market News

CRDB IH19 Earnings

CRDB bank released their 1H19 earnings posting a profit after tax of TZS 63.3BN compared to TZS 32.6 BN posted in the 1h18

Tanzania's CRDB bank released their 1H19 earnings posting a profit after tax of TZS 63.3 BN compared to TZS 32.6 BN posted in the 1H18. Total income grew by 23.7% y-o-y to TZS 372.5 BN driven by a 30.0% y-o-y growth in net interest income and a 12.4% y-o-y growth in non-funded income to TZS 121.4 BN. Operating expenses less loan loss provisions advanced by 19.2% y-o-y to TZS 231.1 BN. Impairment losses on loans and advances declined 16.0% y-o-y to TZS 51.0 BN. Total assets grew by 7.5% q-o-q to TZS 6.4 TN whereas total liabilities rose 8.7% q-o-q to TZS 5.6 TN. Total shareholder funds stood at TZS 793.4 BN compared to TZS 5141.3 BN.

(Source: Company filings, and DBIB Research)

UPCOMING EVENTS

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
Nation Media	Final Div KES: 3.50	14-Jun-19	30-Jul-19
BAT Kenya	Interim Div: KES 3.50	19-Aug-19	20-Sep-19
Safaricom Plc	Special Div KES: 0.62	02-Sep-19	30-Nov-19
Safaricom Plc	First & Final Div KES: 1.25	02-Sep-19	30-Nov-19
Standard group Plc	First & Final Div :KES 0.60	21-Jun-19	23-Aug-19
KCB Group PLC	Final Div: KES 2.50	29-Apr-19	N/A
BK Group	First & Final Div: FRW 12.2	N/A	N/A
Crown paints	Final Div KES:KES 0.60	27-Jun-19	N/A
Centum Investments	Final Div: KES 1.20	N/A	N/A
Kapchorua Tea	Final Div: KES 10.0	30-Jul-19	N/A
Williamson Tea	Final Div: KES 20.0	31-Jul-19	N/A
Kenya Re	Bonus Issue of 3:1	14-Jun-19	N/A
E.A Breweries	Final Div: Kes.6.00	N/A	N/A
Liberty Kenya	First & Final Div: Kes.0.50	7-Jun-19	N/A

(Source: NSE, DBIB Research)

AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
E.A Cables	11.00 AM	E.A. Cables, off Enterprise road	22-Aug-19
Safaricom	11.00 A.M	Bomas of Kenya	30-Aug-19
Home Afrika	10.00 AM	Kenya Inst of Curriculum Devt.	05-Sep-19

(Source: Company filings , DBIB Research)

KCB -NBK Take Over Time Table

<u>Event</u>	<u>Date</u>
Circulation of Offer Document & Circulars to NBK Shareholders	09-Jul-19
Record Date for purposes of the Offer	10-Jul-19
Closing Date of the Offer	30-Aug-19
Announcement of the results of the Offer	09-Sep-19
Settlement of KCB Shares in CDSC Accounts of Shareholders	12-Sep-19
<u>Listing of additional KCB Shares on the NSE</u>	<u>16-Sep-19</u>

(Source: Company Filings, DBIB Research).

APPENDIX

COMPANY INVESTMENT RATINGS

Buy: Share price may generate more than 15.0% upside over the next 12 months

Overweight: Share price may generate between 10.0% and 15.0% upside over the next 12 months

Hold: Share price may fall within the range of <+5.0%/ -10.0% over the next 12 months

Take Profit: Target price has been attained. Look to accumulate at lower levels. Company fundamentals however remain strong

Underweight: Share price may generate between 10.0% and 15.0% downside over the next 12 months

Sell: Share price may generate more than 15.0% downside over the next 12 months, significant business and/or financial risks present, industry concerns

Not Rated: Counter is not within regular research coverage

SECTOR INVESTMENT RATINGS

Overweight: Industry performance better than that of the whole market

Equal weight: Industry performance about the same as that of the whole market

Underweight: Industry performance worse than that of the whole market

DBIB SELECT INDEX

*The DBIB Select Index is an **in-house, bespoke index** designed by **DBIB Research department** to represent the performance of select Kenyan companies listed on the Nairobi Securities Exchange which fall within DBIB Research's class A and B coverage. The Index is market capitalization-weighted and comprises of counters in the Banking, Insurance, FMCG, Investments, Cement, Telco, Utilities and Media space. We believe this provides investors with a complementary index with which to measure the performance of the major capital and industry segments of the Kenyan Stock Market, hence appealing to broad range of investors and intermediaries seeking to develop structured portfolios based on indices*

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