



KENYA EQUITIES: INDICES & MARKET METRICS MOVEMENT done

| Index | 0 wk | 1 wk | 1 m | 3 m | 6 m | 12 m | Y-T-D |
|------------------|-----------|--------|--------|--------|--------|--------|--------|
| NASI | 149.87 | (0.01) | 0.01 | 0.02 | (0.03) | (0.13) | 0.07 |
| NSE-20 | 2,477.66 | (0.02) | (0.07) | (0.06) | (0.17) | (0.25) | (0.13) |
| DBIB Select | 86.00 | (0.00) | 0.00 | 0.02 | (0.02) | (0.06) | 0.01 |
| FTSE 15 | 184.29 | (0.01) | (0.01) | 0.02 | (0.06) | (0.14) | 0.07 |
| FTSE 25 | 196.09 | (0.01) | 0.00 | 0.04 | (0.04) | (0.12) | 0.11 |
| FTSE Frontier 50 | 43,826.39 | 0.02 | (0.10) | (0.02) | (0.09) | (0.12) | 0.01 |

(Source: NSE, Bloomberg, DBIB Research)

| Market Metrics | 0 wk | 1 wk | 1 m | 3 m | 6 m | 12 m |
|-------------------------|----------|---------|---------|---------|--------|--------|
| Market Cap. (USD m) | 2,290.73 | (0.01) | 0.01 | 0.03 | (0.01) | (0.10) |
| Market Turnover (USD m) | 29.58 | 0.15 | 0.14 | 0.19 | 0.28 | 0.71 |
| Market P/E (x) | 14.41 | (0.02) | 0.02 | 0.06 | 0.19 | 0.09 |
| Market Div. yld (%) | 6.20 | 6.25 | (6.31) | (19.48) | 159.39 | 211.25 |
| Market ROE (%) | 36.40 | (22.47) | (86.23) | (91.43) | 253.67 | 380.50 |

(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 | 98.33 | - | 0.00 | 0.01 | 0.02 | 0.04 |
| Market Turnover (USD m) | 69.82 | 0.22 | (0.55) | (0.37) | (0.12) | 0.04 |
| 91-day T-Bill (%) | 6.40 | 4.30 | (19.40) | (68.70) | (56.50) | (121.60) |
| 5 year rate (%) | 9.97 | (9.76) | (28.88) | (73.37) | (134.62) | (177.45) |
| Interbank Lending (%) | 3.49 | (12.00) | 88.00 | (200.00) | 151.00 | (261.00) |

(Source: CBK, NSE)

KENYA MACRO METRICS MOVEMENT

| | 0 wk | 1 wk | 1m | 3m | 6m | 12m |
|--------------------------|--------|--------|--------|--------|--------|--------|
| KES/USD | 103.06 | 0.00 | 0.01 | (0.03) | (0.01) | 0.00 |
| KES/GBP | 125.83 | (0.00) | (0.20) | 0.19 | 0.02 | (0.01) |
| KES/EUR | 114.28 | 0.01 | 0.01 | (0.03) | 0.01 | 0.02 |
| Fx reserve: Import Cover | 5.87 | - | (0.14) | 0.79 | 0.56 | 0.09 |
| Inflation | 6.27 | - | - | 78 | 213 | 223 |
| CBR | 9.00 | - | - | - | - | - |

(Source: CBK, NSE)

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IN THIS WEEK'S ISSUE...

Weekly equity turnover increased by 14.6% w-o-w to close at USD 29.6 MN (KES 3.0 BN).

Both the **NSE 20** and **NASI** indices dropped by 2.5% and 1.0% w-o-w to close at 2,477.66 and 149.87 respectively.

EQUITY MARKET SUM UP

Weekly equity turnover increased by 14.6% w-o-w to close at USD 29.6 MN (KES 3.0 BN). Both the NSE 20 and NASI indices dropped by 2.5% and 1.0% w-o-w to close at 2,477.66 and 149.87 respectively.

Banking sector turnover contracted by 54.0% to close at KES 0.45 BN. 3 stocks advanced, 8 declined and 1 held constant during the week. HF Group improved gaining 4.3% w-o-w to close at KES 3.7 whereas Stanbic holdings recorded the largest drop declining by 5.1% w-o-w to close at KES 93.5. During the week Kenol Kobil was delisted from the NSE effective 23 August 2019 following the acquisition of 100.0% of issued shares by Rubis Energie.

Week-on-Week Performance

| Top gainers | % | Top Losers | % | Top Traders | USD m |
|----------------------|-----|---------------|--------|-----------------|-------|
| Unga Group | 9.4 | Kenya Airways | (15.1) | Safaricom | 20.40 |
| Carbacid Investments | 9.4 | E.A.Cables | (15.0) | K.C.B | 2.15 |
| Standard Group | 7.0 | Nation Media | (10.9) | E. A. Breweries | 1.60 |
| Jubilee Holdings | 5.7 | Eaagads Ltd | (9.3) | Equity Group | 1.07 |
| CIC Insurance | 5.6 | B.O.C Kenya | (8.6) | B.A.T (K) | 1.01 |

(Source: NSE, DBIB Research)

Y-T-D Performance

| Top gainers | % | Top Losers | % |
|---------------|------|--------------------|--------|
| Sameer Africa | 92.4 | Kenya Airways | (71.6) |
| Longhorn | 56.6 | Uchumi | (60.0) |
| Safaricom | 30.2 | Mumias Sugar | (48.3) |
| Express Kenya | 30.0 | Nation Media | (42.0) |
| Trans-Century | 26.8 | Kenya Re Insurance | (37.4) |

(Source: NSE, DBIB Research)

Weekly Foreign Performance

| Top Weekly Buys | % Purchase | Top Weekly Sales | % Sold |
|-----------------|------------|------------------|--------|
| B.A.T (K) | 99.7 | Kenya Re | 97.9 |
| Safaricom | 97.9 | B.A.T (K) | 97.8 |
| Wpp Scan group | 95.1 | Co-op Bank | 89.6 |
| Crown paints | 78.4 | D.T.B | 82.4 |
| Equity | 77.9 | Kenya Airways | 81.2 |

(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) | 97.7 | Kakuzi | 95.5 |
| Umeme | 96.9 | B.A.T (K) | 91.0 |
| Safaricom | 84.2 | Jubilee | 85.5 |
| Crown paints | 83.9 | Stanbic Holdings | 78.5 |

(Source: NSE, DBIB Research)

This week, bond turnover declined by 22.2% w-o-w to close at USD 69.8 MN (KES 7.2 BN).

FROM THE FIXED INCOME DESK

This week, bond turnover declined by 22.2% w-o-w to close at USD 69.8 MN (KES 7.2 BN). The most traded bonds were the fixed coupon bond issue number FXD3/2019/15 Yr and infrastructure bond issue number IFB1/2016/9 Yr which recorded a turnover of KES 2.1 BN and KES 0.9BN respectively. FXD3/2019/15 Yr traded between 12.40% and 11.63% whereas IFB1/2016/9 Yr traded between 12.0% and 9.43%.

FXD1/2018/15 and FXD2/2019/15 September Primary Bond Issues.

The government reopened fixed coupon bond issue numbers FXD1/2018/15 and FXD2/2019/15 aiming to raise KES 50.0 BN. The funds raised are to go towards budgetary support. FXD1/2018/15 has a coupon rate of 12.65% whereas FXD2/2019/15 has a coupon rate of 12.73%. The bonds will be on sale between 22/08/2019 and 22/08/2019.

Top Trades for the Week ending 23 August 2019.

| | | | | | Total | |
|--------------|-----------------|-------|---------|---------|----------|---------|
| | | | Coupon | Yield | Price | Value |
| Trading Date | Issue No. | Years | (%) | (%) | (%) | (KES m) |
| 20-Aug | FXD3/2019/15Yr | 14.9 | 12.340 | 12.269 | 101.205 | 500.0 |
| 21-Aug | FXD3/2019/15Yr | 14.9 | 12.340 | 12.200 | 101.712 | 500.0 |
| 22-Aug | FXD3/2019/15Yr | 14.9 | 12.340 | 12.095 | 102.467 | 500.0 |
| 20-Aug | FXD 3/2019/10Yr | 10.0 | 11.517 | 11.300 | 101.311 | 350.0 |
| 20-Aug | IFB 1/2017/7Yr | 5.2 | 12.500 | 9.000 | 114.958 | 200.0 |
| 21-Aug | IFB 1/2017/7Yr | 5.2 | 12.500 | 9.450 | 113.328 | 200.0 |
| 22-Aug | FXD1/2019/20Yr | 19.6 | 12.873 | 12.675 | 105.944 | 200.0 |
| 20-Aug | IFB 1/2013/12Yr | 6.1 | 11.000 | 10.000 | 107.751 | 107.9 |
| 21-Aug | IFB 1/2013/12Yr | 6.1 | 11.000 | 9.750 | 108.630 | 107.9 |
| 22-Aug | FXD1/2012/20Yr | 13.2 | 12.000 | 12.055 | 102.695 | 105.0 |
| 20-Aug | FXD1/2019/20Yr | 19.6 | 12.873 | 12.720 | 105.546 | 100.0 |
| 20-Aug | IFB 1/2016/9Yr | 5.7 | 12.500 | 9.985 | 111.660 | 100.0 |
| 20-Aug | IFB 1/2016/9Yr | 5.7 | 12.500 | 9.600 | 113.059 | 100.0 |
| 20-Aug | IFB 1/2019/25Yr | 24.5 | 12.200 | 11.600 | 109.446 | 100.0 |
| 21-Aug | FXD1/2012/20Yr | 13.2 | 12.0000 | 12.3000 | 101.0841 | 100.0 |
| 22-Aug | FXD 3/2019/10Yr | 10.0 | 11.517 | 11.490 | 100.250 | 100.0 |

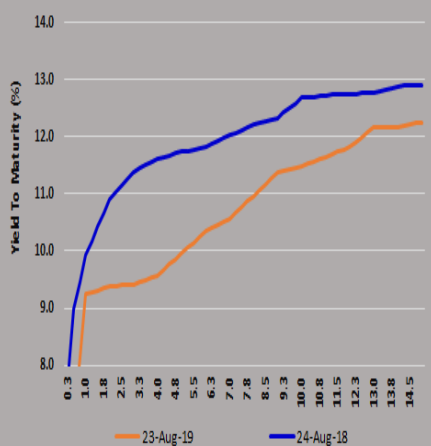
(Source: NSE, DBIB Research)

Treasury Bill auction for the week ending 23 August 2019.

| Instrument | Amount Bids Received | Subscription | Bids Accepted | Yield | w-o-w |
|------------|----------------------|--------------|---------------|-------|-------------|
| | (KES Bn) | (KES Bn) | Rate (%) | (%) | bps ch |
| 91-day | 4.0 | 5.179 | 129.48 | 5.179 | 6.398 4.3 |
| 182-day | 10.0 | 1.225 | 12.25 | 1.195 | 7.020 (3.2) |
| 364-day | 10.0 | 10.785 | 107.85 | 8.959 | 9.248 5.3 |

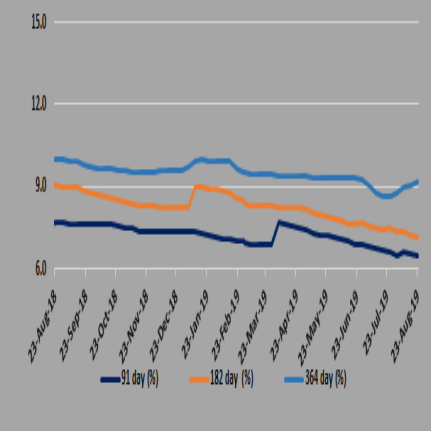
(Source: NSE, DBIB Research)

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 rose 0.1% and 0.5% w-o-w to close at 125.92 and 135.99 respectively.

Tanzania: The DSE TSI held constant at 3,291.83 whereas DSEI declined by 0.2% w-o-w to close at 1,935.63 respectively.

Rwanda: The RSE, RSI and RASI indices rose 0.1% and 0.5% w-o-w to close at 125.92 and 135.99 respectively. Weekly turnover stood at RWF 3.4 MN compared to RWF 6.0 MN recorded the past week.

Tanzania: The DSE TSI held constant at 3,291.83 whereas DSEI declined by 0.2% w-o-w to close at 1,935.63 respectively. Total weekly turnover stood at TZS 351.7 MN compared to TZS 9.6 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 | 273 | 273 | 273 | 31 | (0.4) | (1.4) | 0.27 | 0.03 |
| Bralirwa | 143 | 140 | 143 | 16 | 2.1 | (6.7) | 0.14 | 0.02 |
| Cyrstal Telecom Ltd | 60 | 60 | 60 | 7 | 0.0 | 15.4 | 2.97 | 0.33 |
| I&M Rwanda | 90 | 90 | 90 | 10 | 0.0 | (1.1) | 0.25 | 0.03 |
| Dar Es Salaam Stock Exchange (DSE) | | | - | | | | | |
| African Barrick Gold (ACA) | 6,000 | 6,000 | 6,000 | 58 | 0.0 | 12.8 | - | - |
| CRDB Bank | 100 | 100 | 100 | 1 | 0.0 | (31.0) | 299.71 | 2.91 |
| Dar Es Salaam Community Bank (DCB) | 340 | 340 | 340 | 3 | 0.0 | 0.0 | - | - |
| DSE | 1,080 | 1,080 | 1,080 | 10 | 0.0 | (26.0) | 0.49 | 0.00 |
| Maendeleo (MBP) | 490 | 490 | 490 | 5 | 0.0 | (2.0) | - | - |
| National Microfinance Bank (NMB) | 2,340 | 2,340 | 2,340 | 23 | 0.0 | 18.2 | 0.05 | 0.00 |
| Precision Air Services (PAL) | 400 | 400 | 400 | 4 | 0.0 | 0.0 | - | - |
| Swissport Tanzania (SWIS) | 1,600 | 1,600 | 1,600 | 16 | 0.0 | (31.6) | 0.00 | 0.00 |
| Tanzania Breweries (TBL) | 11,400 | 10,900 | 10,900 | 106 | (4.4) | (11.6) | 2.06 | 0.02 |
| Tanga Cement Company (TCCL) | 600 | 600 | 600 | 6 | 0.0 | (6.3) | 0.70 | 0.01 |
| Tanzania Cigarette Company (TCC) | 17,000 | 17,000 | 17,000 | 165 | 0.0 | 0.0 | - | - |
| Tanzania Portland Cement (TPCC) | 2,000 | 2,000 | 2,000 | 19 | 0.0 | (3.8) | 45.22 | 0.44 |
| Tanzania Tea Packers (TTP) | 120 | 120 | 120 | 1 | 0.0 | 0.0 | - | - |
| TOL Gases | 600 | 600 | 600 | 6 | 0.0 | (9.1) | - | - |
| Swala | 490 | 490 | 490 | 5 | 0.0 | 0.0 | - | - |
| Mucoba Bank | 400 | 400 | 400 | 4 | 0.0 | 0.0 | - | - |
| YETU | 550 | 550 | 550 | 5 | 0.0 | (8.3) | - | - |
| MCB | 430 | 430 | 430 | 4 | 0.0 | (14.0) | - | - |
| MKCB | 780 | 780 | 780 | 8 | 0.0 | (2.5) | - | - |
| Vodacom | 800 | 760 | 800 | 8 | 5.3 | 1.3 | 0.28 | 0.00 |
| TICL | 350 | 350 | 350 | 3 | 0.0 | (9.1) | 0.18 | 0.00 |
| NICO | 175 | 175 | 175 | 2 | 0.0 | (35.2) | 3.01 | 0.03 |

(Source: RSE, DSE, DBIB Research)

*L.C refers to Local Currency

Kenya Market News

DTB Group 1H19 Earnings

DTB Group released their 1H19 earnings posting a 10.0% y-o-y growth in profit after tax (PAT) to KES 4.1 BN.

DTB Group released their 1H19 earnings posting a 10.0% y-o-y growth in profit after tax (PAT) to KES 4.1 BN. Net interest income declined by 7.5% y-o-y to KES 9.2 BN while non-interest income rose by 8.5% y-o-y to 3.0 BN recording total income at KES 12.2 BN. Non-funded income recorded a 8.5% y-o-y growth on the back of a 25.3% y-o-y increase of net income from forex dealings to KES 3.0 BN. Operating expenses (less provisions) recorded a marginal growth of 1.6% y-o-y to KES 5.7 BN. Overall pre-provision profit grew by 8.5% y-o-y to KES 6.5 BN. Profit before tax (PBT) recorded a 10.2% y-o-y growth to KES 6.0 BN impelled by the 68.1% y-o-y decline of loan loss provisions to KES 534.2 MN. Customer deposits edged up 0.5% y-o-y to KES 283.1 BN while the loan book contracted by 3.8% y-o-y to KES 190.8 BN. Deposits due to other banks declined by 53.6% to KES 8.7 BN and borrowed funds declined by 22.0% to KES 13.2 BN. Held to maturity investment securities declined by 14.4% y-o-y to KES 108.4 BN whereas held for dealing securities rose significantly from KES 2.4 BN in 1H18 to KES 12.3 BN. Total equity and liabilities remained flat at KES 375.9 BN as total equity rose by 13.7% y-o-y to KES 62.5 BN while total liabilities declined by 2.4% y-o-y to KES 313.4 BN. The bank maintained strong capitalization metrics with core capital ratio rising by 150 bps y-o-y to 18.9%, against a minimum statutory ratio of 10.5% and total capital ratio rising by 240 bps y-o-y to 21.1%, against a statutory ratio of 14.5%. In addition, the liquidity ratio rose by 320 bps y-o-y to 54.3%, above the minimum statutory ratio of 20.0%. The earnings per share (EPS) edged up by 11.0% y-o-y to KES 13.89 per share. As per the practice adopted in recent years, the directors did not propose the payment of an interim dividend. (Source: Company Filings, DBIB Research).

Family Bank 1H19 Earnings

Family Bank released their 1H19 earnings posting a 259.0% y-o-y increase of profit after tax (PAT) to KES 364.4 MN.

Family Bank released their 1H19 earnings posting a 259.0% y-o-y increase of profit after tax (PAT) to KES 364.4 MN. Net interest income rose by 12.7% y-o-y to KES 2.3 BN courtesy of a 16.3% y-o-y decline in interest expense to KES 1.0 BN. Non-funded income rose by 4.5% y-o-y to KES 1.3 BN on the back of a 61.6% y-o-y increase of other operating income to KES 161.2 MN. Fees and commissions income remained flat at KES 971.1 MN while net income from forex dealings declined by 2.7% y-o-y to close at KES 177.7 MN. Profit before tax (PBT) increased by 259.0% y-o-y to KES 520.9 MN whereas there was a 0.3% y-o-y decline in operating expenses (less provisions) and a 13.5% y-o-y decline in loan loss provisions. Customer deposits grew by 13.0% y-o-y to KES 54.0 BN while the loan book grew by 6.5% y-o-y to KES 46.7 BN. The held to maturity securities declined by 11.6% y-o-y to KES 7.1 BN while the held for dealing securities closed at KES 2.3 BN compared to nil in 1H18. Net non-performing loans declined by 17.8% to KES 4.8 BN on the back of a 56.0% increase in loan loss provisions to KES 2.3 BN. The core capital ratio improved to 16.7% in 1H19 compared to 16.4% in 1H18 while the total capital declined to 19.7% in 1H19 compared to 20.0% in 1H18. The liquidity ratio declined from 34.6% in 1H18 to 32.9% in 1H19, against a minimum statutory ratio of 20.0%. Earnings per share (EPS) improved to KES 0.3 per share in 1H19 compared to KES 0.08 per share in 1H18. (Source: Company Filings, DBIB Research).

Bamburi 1H19 Earnings

Bamburi released their 1H19 earnings posting a 1.5% y-o-y decline in profit after tax to KES 393.0 MN.

Bamburi released their 1H19 earnings posting a 1.5% y-o-y decline in profit after tax to KES 393.0 MN. This was on account of a tax credit of KES 370.0 MN compared to a tax expense of KES 323.0 MN recorded in 1H18. Turnover remained flat at KES 18.7 BN on account of a contracted cement market in Kenya and reduced cement consumption following a drop in cement consumption by the SGR project. Total operating costs rose by 5.4% y-o-y to KES 18.0 BN this was attributable to high energy and logistics costs fuelled by power tariffs and rising fuel prices. In addition to this, the group recorded higher depreciation charges following the commissioning of additional capacities both in Kenya and Uganda. Overall, the operating profit stood at KES 0.3 BN compared to KES 1.2 BN recorded in 1H18. Difficulties in access to the Rwandese market also saw Bamburi record impairment losses on PPE worth KES 73.0 MN. Net Finance costs stood at KES 175.0 MN following an increase in interest expense on term loan secured to finance the capacity expansion in Uganda. Overall, the profit before tax stood at KES 23.0 MN compared to KES 722.0 MN posted in 1H18.

Current assets grew by 11.0% h-o-h to KES 11.2 BN whereas current liabilities increased by 2.6% h-o-h to KES 8.2 BN placing the working capital at KES 3.0 BN compared to KES 2.1 BN recorded in FY18. Net Cash flows from operating activities declined by 40.4% y-o-y to KES 1.0 BN on account of lower operating profit. Cash and cash equivalents at the end of the year stood at KES 1.3 BN compared to KES 2.9 BN recorded in 1H18.

Whereas we are hopeful that the government big four agenda will stimulate the construction sector, Other factors such as delayed government payment to contractors, limited access to credit for individual home builders and increased competition both locally and from cheap imports continue to affect the cement industry. Bamburi continues to face uncertainties regarding its export markets such as Rwanda and DRC. Going forward, management is keen on managing costs in order to protect its margins. (Source: Company Filings, DBIB Research)

Britam 1H19 Earnings.

Britam released their 1H19 earnings posting a 70.5% y-o-y growth in profit after tax to KES 1.7 BN .

Britam released their 1H19 earnings posting a 70.5% y-o-y growth in profit after tax to KES 1.7 BN on the back of a slight increase in total income from KES 16.8 BN posted in 1H18 to KES 16.9 BN and a 6.7% y-o-y contraction in total expenses to KES 14.5 BN. Gross earned premium and fund management fees were flat at KES 12.9 BN whereas reinsurance ceded rose 3.3% y-o-y to KES 1.8 BN. As a result, net earned premium declined by 0.4% y-o-y to KES 11.1 BN. Investment income dropped by 25.6% y-o-y to KES 2.7 BN this drop was compensated by a 58.2% y-o-y growth in gains on financial assets at fair value through profit and loss to KES 2.5 BN. Commissions earned grew by 4.1% y-o-y to KES 508. MN whereas other income stood at KES 76.7 MN compared to a loss position of KES 59.5 MN recorded in 1H18. Net claims and benefits declined by 12.1% y-o-y to KES 6.6 BN. Finance costs recorded a 95.6% y-o-y drop to KES 21.7 BN. Total assets grew by 9.8% y-o-y to KES 113.8 BN partly driven by an 11.1% y-o-y increase in investment assets to KES 96.1 BN. Total liabilities grew by 0.4% y-o-y to KES 88.0 BN partly on account of an 11.3% y-o-y growth in Insurance liabilities to KES 79.5 BN. (Source: Company Filings, Business Daily, DBIB Research)

Co-operative Bank of Kenya 1H19 Earnings

Co-operative Bank released its 1H19 results posting a 4.6% y-o-y growth of profit after tax (PAT) to KES 7.5 BN.

Co-operative Bank released its 1H19 results posting a 4.6% y-o-y growth of profit after tax (PAT) to KES 7.5 BN. Net interest income recorded a 3.8% y-o-y decline to KES 14.3 BN courtesy of a 1.7% y-o-y decline of interest income to KES 20.4 BN and a 3.5% y-o-y increase of interest expense to KES 6.2 BN. Non funded income edged up by 25.1% y-o-y to KES 8.8 BN on the back of a 38.1% y-o-y increase in total fees and commissions to KES 7.1 BN. Operating expenses (less provisions) edged up by 4.9% y-o-y to KES 11.4 BN impelled by a 6.8% y-o-y increase of staff costs to KES 5.7 BN and a 8.2% y-o-y increase of other operating expenses to KES 3.8 BN. Profit before tax increased by 4.6% y-o-y to KES 10.4 BN despite an 8.1% y-o-y increase of loan loss provisions to KES 1.2 BN. The loan book grew by 2.6% y-o-y to KES 257.6 BN whereas on the funding side, customer deposits increased by 9.0% to KES 323.6 BN. Investment securities rose by 16.7% y-o-y to KES 97.0 BN. The bank's core capital ratio (Core capital/TRWA) declined 60 bps y-o-y to 15.1% above the statutory minimum of 10.5% while the total capital ratio (Total capital/TRWA) declined 40 bps y-o-y to 15.4% above the statutory minimum of 14.5%. Earnings per share (EPS) for the period stood at KES 1.27 compared to KES 1.22 per share recorded in 1H18. (Source: Company Filings, DBIB Research)

NIC Group 1H19 Earnings

NIC Group released its 1H19 results recording a 4.2% y-o-y decrease in profit after tax to KES 1.9 BN on the back of increased loan loss provisions to KES 1.4 BN and pre-merger costs of KES 255.22 MN.

NIC Group released its 1H19 results recording a 4.2% y-o-y decrease in profit after tax to KES 1.9 BN on the back of increased loan loss provisions to KES 1.4 BN and pre-merger costs of KES 255.22 MN. Net interest income rose 7.7% y-o-y to KES 5.5 BN on the back of a 0.9% y-o-y growth of interest income to KES 9.7 BN and a 7.0% y-o-y decline in interest expense to KES 4.1 BN. Interest income from loans and advances declined 0.7% y-o-y to KES 6.2 BN whereas interest income from government securities rose 3.8% y-o-y to KES 3.4 BN. Operating expenses (less loan loss provisions) rose 14.1% y-o-y to KES 3.8 BN on the back of a 9.1% y-o-y rise in staff costs to KES 1.9 BN and a 19.5% y-o-y rise in other operating expenses to KES 1.3 BN. Customer loans and advances grew 3.1% y-o-y to KES 118.5 BN and customer deposits grew 3.5% y-o-y to KES 152.30 BN. NIC Kenya's core capital ratio (Core capital/TRWA) rose 185 bps y-o-y to 17.0% above the statutory minimum of 10.5% while the total capital ratio (Total capital/TRWA) rose 45 bps y-o-y to 18.5% above the statutory minimum of 14.5%. EPS for the period stood at KES 2.81. The directors approved payment of an interim dividend of KES 0.25 for every ordinary share. (Source: Company Filings, DBIB Research)

Sanlam Kenya 1H19 Earnings

Sanlam Kenya released their 1H19 earnings recording a profit after tax (PAT) of KES 639.7 MN compared to a loss of KES 1.5 BN that was booked in 1H18 .

Sanlam Kenya released their 1H19 earnings recording a profit after tax (PAT) of KES 639.7 MN compared to a loss of KES 1.5 BN that was booked in 1H18 . Total income edged up by 84.6% y-o-y to KES 4.7 BN on the back of a significant increase of investment and other income to KES 1.9 BN in 1H19 compared to KES 41.4 MN in 1H18. Gross written premium recorded a growth of 17.5% y-o-y to KES 3.7 BN whereas net earned premiums recorded a growth of 10.6% y-o-y to KES 2.8 BN. Total expenditure dropped by 13.1% to KES 3.7 BN despite a 147.5% y-o-y increase in finance costs. Total equity increased by 40.3% to KES 2.2 BN impelled by a 105.2% y-o-y increase in retained earnings to KES 1.2 BN. Net assets rose 40.3% y-o-y to KES 2.2 BN courtesy of a 2.7% y-o-y growth of total assets to KES 29.9 BN and a 0.5% y-o-y increase of total liabilities to KES 27.7 BN. Total liabilities recorded a 0.5% y-o-y growth to KES 27.7 BN on the back of a 29.9% y-o-y increase in provisions for unearned premiums to KES 1.2 BN and a 22.4% y-o-y increase in payables to KES 2.3 BN. Cash and cash equivalents at the end of the year declined by 37.6% y-o-y of KES 1.7 BN. Earnings per share (EPS) rose to KES 4.4 per share in 1H19 vis-a-vis KES (10.7) per share in 1H18. (Source: Company Filings, DBIB Research)

Delisting of Kenol Kobil PLC

The Nairobi Securities Exchange (NSE) announced that Kenol Kobil is delisted from the exchange effective 23, August 2019 following the acquisition of 100% of the issued shares of Kenol Kobil Plc by Rubis Energie. The acquisition disqualified the company from operating as a listed entity in line with the provisions of the Capital Markets Regulations 2002. The Capital Markets Authority (CMA) has also approved the delisting. *(Source: Company Filings, DBIB Research)*

UPCOMING EVENTS

| Company | Announcement | Book Closure | Payment |
|--------------------|-----------------------------|---------------------|----------------|
| BAT Kenya | Interim Div: KES 3.50 | 19-Aug-19 | 20-Sep-19 |
| Kapchorua Tea | Final Div: KES 10.0 | 31-Jul-19 | 04-Oct-19 |
| Williamson Tea | Final Div: KES 20.0 | 31-Jul-19 | 04-Oct-19 |
| KCB Group PLC | Interim Div: KES 1.00 | 05-Sep-19 | 15-Nov-19 |
| KCB Group PLC | InterimDiv:KES 1.00 | 05-Sep-18 | 15-Nov-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-2019 | 23-Aug-2019 |
| BK Group | First & Final Div:FRW 12.2 | N/A | N/A |
| Centum Investmnets | First & Final Div: KES 1.20 | 02-Oct-19 | N/A |

(Source: NSE, DBIB Research)

AGM SCHEDULE

| Company | Time | Venue | Date |
|----------------|-------------|----------------------------------|-------------|
| 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 |
| Centum | 11.00 AM | Two rivers | 13-Sep-19 |

(Source: Company filings , DBIB Research)

KCB -NBK Take Over Time Table

| Event | Date |
|---|------------------|
| 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 |
| Listing of additional KCB Shares on the NSE | 16-Sep-19 |

(Source: Company Filings, DBIB Research).

Kindly contact us if you have National Bank shares.

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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