



### KENYA EQUITIES: INDICES & MARKET METRICS MOVEMENT

Index	0 wk	1 wk	1 m	3 m	6 m	12 m	Y-T-D
NASI	157.93	0.02	(0.04)	0.07	0.05	0.08	0.12
NSE-20	2,618.62	(0.00)	(0.04)	0.06	(0.02)	(0.06)	(0.08)
DBIB Select	86.72	0.00	(0.03)	0.02	0.02	0.02	0.01
FTSE 15	211.29	(0.01)	(0.04)	0.15	0.14	0.16	0.22
FTSE 25	217.59	(0.94)	(0.07)	0.12	0.12	0.17	0.23
FTSE Frontier 50	44,457.15	0.03	(1.00)	0.05	(0.01)	(0.05)	0.03

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	0 wk	1 wk	1 m	3 m	6 m	12 m
Market Cap. (USD m)	2,410.33	0.02	(0.04)	0.08	0.06	0.10
Market Turnover (USD m)	32.09	0.29	(0.55)	1.39	(0.15)	0.04
Market P/E (x)	13.41	0.02	(0.06)	(0.06)	(0.05)	(0.07)
Market Div. yld (%)	5.91	(11.82)	21.27	(44.32)	74.03	94.46
Market ROE (%)	44.39	(8.33)	(62.20)	1,008.87	737.79	786.60

(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	98.02	-	(0.00)	(0.00)	0.01	0.03
Market Turnover (USD m)	119.83	0.67	(0.33)	0.39	(0.36)	0.77
91-day T-Bill (%)	7.16	77.20	73.80	77.70	16.70	(18.00)
5 year rate (%)	11.14	(1.25)	86.25	126.92	47.87	(56.00)
Interbank Lending (%)	5.68	136.00	(45.00)	95.00	160.00	(55.00)

(Source: CBK, NSE)

### KENYA MACRO METRICS MOVEMENT

	0 wk	1 wk	1m	3m	6m	12m
KES/USD	102.81	(0.01)	0.02	0.00	(0.02)	0.01
KES/GBP	132.82	(0.01)	0.02	(0.06)	0.01	0.02
KES/EUR	113.18	(0.01)	0.02	(0.00)	(0.02)	0.03
Fx reserve: Import Cover	5.43	(0.01)	(0.17)	(0.35)	(0.97)	0.11
Inflation	5.56	-	-	56	7	(2)
CBR	8.50	(50.00)	(50.00)	(50.00)	(50.00)	(50.00)

(Source: CBK, NSE)

### TABLE OF CONTENTS

Equity Market Sum Up.....	2
From the Fixed Income Desk.....	3
EAC Markets Snapshot.....	4
Market News.....	5
Upcoming Actions.....	9
Equity Markets.....	9

### RESEARCH DEPARTMENT

**EDWIN CHUI**

Head of Research

**FAITH MWISYWA**

**EBBY WACHIRA**

**MARY MUKURIA**

**CYNTHIA WAMBUI**

**BHAVIKA BABLA**

[research@dyerandblair.com](mailto:research@dyerandblair.com)

# IN THIS WEEK'S ISSUE...

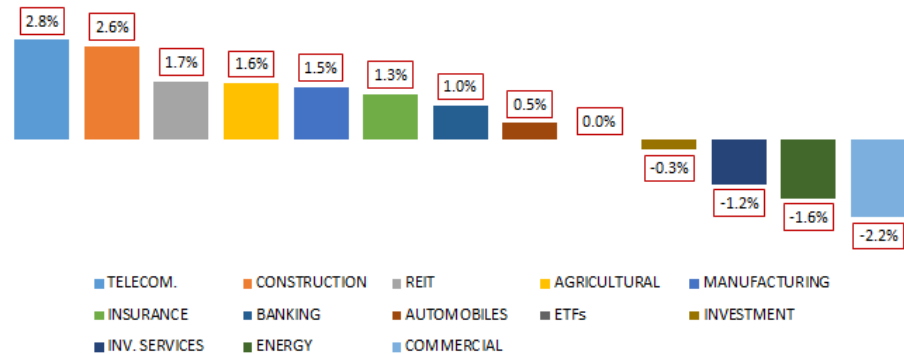
## EQUITY MARKET SUM UP

**Weekly equity turnover** advanced 28.8% w-o-w to close at USD 32.09 MN (KES 3.30 BN).

**NSE 20** dropped 0.005% w-o-w to close at 2618.62 whereas **NASI** rose 2.0% w-o-w to close at 157.93.

Weekly equity turnover advanced 28.8% w-o-w to close at USD 32.09 MN (KES 3.30 BN). NSE 20 dropped 0.005% w-o-w to close at 2618.62 whereas NASI rose 2.0% w-o-w to close at 157.93. Below is a graphical snapshot of the w-o-w performance of the various sectors.

### SECTORAL W-O-W PERFORMANCE



Source: NSE, DBIB Research

### Week-on-Week Performance

Top gainers	%	Top Losers	%	Top Traders	USD m
Trans-Century Ltd	11.1	Kenya Airways	(14.3)	Equity Group	8.74
Flame Tree Group	10.6	Olympia Capital	(12.3)	Safaricom Ltd	8.12
E.A.Cables Ltd	8.9	Housing Finance	(6.3)	B.A.T.(K)	3.64
Britam Ins	8.4	TPS East. Africa	(5.9)	Centum	3.23
Standard Group	7.9	K.P.L.C.	(5.3)	KCB Group	2.73

(Source: NSE, DBIB Research)

### Y-T-D Performance

Top gainers	%	Top Losers	%
Sameer Africa	110.8	Kenya Airways	(74.5)
Longhorn	47.1	Uchumi	(60.0)
Equity Group	46.3	Mumias Sugar	(53.4)
Express Kenya	40.0	Nation Media Group	(44.1)
K.C.B. Group	33.5	Bamburi Cement	(36.2)

(Source: NSE, DBIB Research)

### Weekly Foreign Performance

Top Weekly Buys	% Purchase	Top Weekly Sales	% Sold
Equity Group	95.7	E.A.B.L. (K)	99.2
Safaricom	93.3	B.A.T. (K)	98.8
Bamburi	90.1	Scangroup	94.6
B.A.T. (K)	85.1	Safaricom	91.7
Stanbic Kenya	67.1	KCB Group	82.5

(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)	96.4	Kakuzi	93.7
Umeme	95.8	B.A.T. (K)	91.9
Crown Paints	91.3	Trans-Century	88.1
Trans-Century	87.7	Jubilee Ins.	78.2

(Source: NSE, DBIB Research)

## FROM THE FIXED INCOME DESK

The Bond market's turnover stood at USD 119.83 MN (KES 12.32 BN) representing a 67.1% w-o-w advancement from USD 71.70 MN (KES 7.27 BN) recorded the previous week.

The Bond market's turnover stood at USD 119.83 MN (KES 12.32 BN) representing a 67.1% w-o-w advancement from USD 71.70 MN (KES 7.27 BN) recorded the previous week. FXD 4/2019/10Yr emerged as the top traded bond of the week with a turnover of KES 3.25 BN, accounting for 26.4% of the week's turnover. The bond traded between 11.9055% and 12.2800%. The infrastructure bond, issue number IFB1/2019/16yr came in second with a turnover of KES 3.15 BN, accounting for 25.6% of the weeks turnover. This represented 28.3% of the week's total turnover. The bond traded between 11.1050% and 12.6158%.

### December Issue: FXD3/2019/5YR

The government has issued a five year fixed coupon treasury bond [Issue number FXD3/2019/5] aiming to raise KES 25.0 BN. The funds raised are to go towards budgetary support. The fixed coupon bond will attain a market determined coupon rate and will be on sale between 01/12/19 and 10/12/19. We expect to receive the results on the auction date, 11/12/2019.

### Top Trades for the Week ending 29 November 2019.

						Total
			Coupon	Yield	Price	Value
Trading Date	Issue No.	Years	(%)	(%)	(%)	(KES m)
27-Nov	FXD 4/2019/10Yr	10	12.280	12.150	100.81	1,050.0
29-Nov	IFB 1/2019/16Yr	16	11.750	11.750	101.01	555.0
29-Nov	IFB 1/2016/9Yr	5	12.500	10.250	107.56	550.0
26-Nov	IFB 1/2016/9Yr	5	12.500	10.750	105.80	538.0
26-Nov	FXD 4/2019/10Yr	10	12.280	12.250	100.20	500.0
27-Nov	IFB 1/2019/25Yr	24	12.200	12.200	102.14	500.0
28-Nov	IFB 1/2019/16Yr	16	11.750	11.800	100.65	500.0
27-Nov	IFB 1/2018/20Yr	19	11.950	11.900	100.60	435.0
27-Nov	IFB 1/2019/16Yr	16	11.750	11.800	100.62	400.0
25-Nov	IFB 1/2019/25Yr	24	12.200	12.300	101.35	380.0
27-Nov	FXD1/2008/20Yr	9	13.750	11.728	116.87	331.0
26-Nov	FXD 4/2019/10Yr	10	12.280	12.200	100.49	300.0
26-Nov	IFB 1/2019/16Yr	16	11.750	11.750	100.91	300.0
28-Nov	FXD 3/2019/10Yr	10	11.517	12.280	98.89	300.0

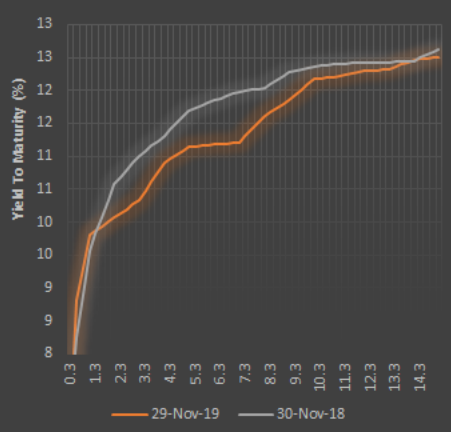
(Source: NSE, DBIB Research)

### Treasury Bill auction for the week ending 29 November 2019.

Instrument	Amount Bids Received	Subscription	Bids Accepted	Yield	w-o-w
	(KES Bn)	(KES Bn)	Rate (%)	(%)	bps ch
91-day	4.0	0.937	23.4	7.162	3.1
182-day	10.0	1.056	10.6	8.204	1.1
364-day	10.0	6.361	63.6	9.800	0.4

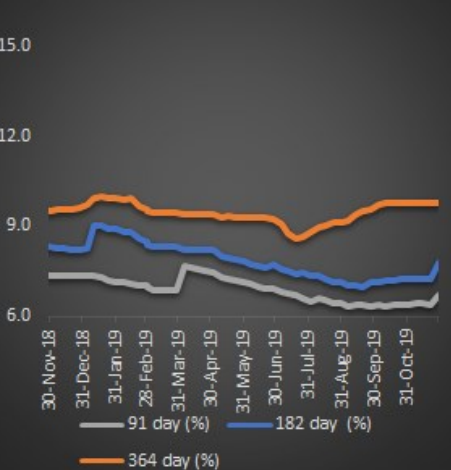
(Source: NSE, DBIB Research)

Kenya: GoK Yield Curve



Source: NSE, DBIB Research

Yields: Treasury Bills



Source: NSE, DBIB Research

## EAC MARKETS SNAPSHOT

**Rwanda:** The RSE RSI and RSE RASI dropped 0.8% and 0.1% w-o-w to close at 123.54 and 135.61 respectively.

**Tanzania:** The DSE DSEI edged down 1.2% w-o-w to close at 2,026.95 whereas DSE TSI remained constant w-o-w to close at 3,431.28.

**Uganda:** The USE ALSI and LSI dropped 1.7% and 1.3% w-o-w to close at 1,733.30 and 350.49 respectively.

**Rwanda:** The RSE RSI and RSE RASI dropped 0.8% and 0.1% w-o-w to close at 123.54 and 135.61 respectively. Total weekly turnover advanced 23.1 times w-o-w to stand at RWF 5.8 MN rallied by 3Q19 earnings. Bank of Kigali value traded for the week stood at RWF 2.4 MN whilst CTL's value traded for the week totaled to RWF 3.4 MN.

**Tanzania:** The DSE DSEI edged down 1.2% w-o-w to close at 2,026.95 whereas DSE TSI remained constant w-o-w to close at 3,431.28. Weekly turnover advanced 26.2% w-o-w to stand at TZS 3.4 BN rallied by CRDB Bank which recorded a weekly turnover of TZS 3.1 BN.

**Uganda:** The USE ALSI and LSI dropped 1.7% and 1.3% w-o-w to close at 1,733.30 and 350.49 respectively.

	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)
<b>Rwanda Stock Exchange (RSE)</b>								
Bank of Kigali	269	265	265	29.19	-1.49	(4.68)	2.44	0.27
Bralirwa	139	139	139	15.31	0.00	(7.33)	-	-
Cyrstal Telecom Ltd	70	70	70	7.71	0.00	34.62	3.38	0.37
I&M Rwanda	90	90	90	9.91	0.00	(1.10)	-	-
<b>Dar Es Salaam Stock Exchange (DSE)</b>								
African Barrick Gold (ACA)	6,650	6,650	6,650	297.24	0.00	25.00	-	-
CRDB Bank	95	95	95	4.25	0.00	(34.48)	3,144.84	140.57
Dar Es Salaam Community Bank (DCB)	295	295	295	13.19	0.00	(13.24)	2.96	0.13
DSE	1,000	980	980	43.80	-2.00	(32.88)	143.40	6.41
Maendeleo (MBP)	490	490	490	21.90	0.00	(2.00)	-	-
National Microfinance Bank (NMB)	2,340	2,340	2,340	104.59	0.00	18.18	0.01	0.00
Precision Air Services (PAL)	400	400	400	17.88	0.00	0.00	-	-
Swissport Tanzania (SWIS)	1,600	1,600	1,600	71.52	0.00	(31.62)	0.02	0.00
Tanzania Breweries (TBL)	10,900	10,900	10,900	487.21	0.00	(15.50)	92.57	4.14
Tanga Cement Company (TCCL)	600	600	600	26.82	0.00	(6.25)	-	-
Tanzania Cigarette Company (TCC)	17,000	17,000	17,000	759.87	0.00	0.00	21.25	0.95
Tanzania Portland Cement (TPCC)	2,000	2,000	2,000	89.40	0.00	(3.85)	26.84	1.20
Tanzania Tea Packers (TTP)	120	120	120	5.36	0.00	0.00	-	-
TOL Gases	660	660	660	29.50	0.00	0.00	-	-
Swala	490	490	490	21.90	0.00	0.00	-	-
Mucoba Bank	400	400	400	17.88	0.00	0.00	-	-
YETU	550	550	550	24.58	0.00	(8.33)	-	-
MCB	500	500	500	22.35	0.00	0.00	-	-
MKCB	780	780	780	34.86	0.00	(2.50)	-	-
Vodacom	850	850	850	37.99	0.00	13.33	-	-
TICL	385	385	385	17.21	0.00	0.00	-	-
NICO	175	175	175	7.82	0.00	(35.19)	1.94	0.09

(Source: RSE, DSE, DBIB Research)

\*L.C refers to Local Currency

---

## Kenya Market News

### Stanbic Bank 3Q19 Results

**Stanbic Bank** released its 3Q19 earnings posting a 7.9% y-o-y growth in profit after tax to KES 5.1 BN.

Stanbic Bank released its 3Q19 earnings posting a 7.9% y-o-y growth in profit after tax to KES 5.1 BN. Total in-come saw a 15.2% y-o-y upswing to KES 18.4 BN courtesy of a 12.6% y-o-y growth in net interest income to KES 9.6 BN and an 18.3% y-o-y improvement of non-interest income to KES 8.8 BN. Operating expenses (less loan loss provisions) rose 25.2% y-o-y to KES 10.0 BN courtesy of a 66.1% y-o-y increase in other expenses to KES 4.9 BN. Staff costs remained fairly flat having recorded a 0.1% y-o-y growth to KES 4.3 BN. Customer loans and advances advanced by 14.6% y-o-y to KES 161.7 BN whereas customer deposits advanced 5.4% y-o-y to KES 191.3 BN. Total NPLs saw a significant increase to KES 14.6 BN, recording a 79.9% y-o-y increase. Core capital ratio (Core capital/TRWA) remained flat y-o-y at 13.9%, above the statutory minimum of 10.5% whilst the total capital ratio (Total capital/TRWA) edged up by 30 bps y-o-y to 17.2%, above the statutory minimum of 14.5%. The earnings per share (EPS) for the bank advanced to KES 29.93 per share in 3Q19 compared to KES 27.75 per share recorded in the last period. *(Source: Company Filings, DBIB Research)*

### I&M Bank 3Q19 Results

**I&M Bank** released its 3Q19 earnings posting a 13.4% y-o-y rise in profit after tax to KES 6.6 BN.

I&M Bank released its 3Q19 earnings posting a 13.4% y-o-y rise in profit after tax to KES 6.6 BN. I&M Kenya contributed 81.3% of PAT by booking profits of KES 5.4 BN whereas its subsidiaries in Tanzania, Rwanda and Mauritius recorded earnings of KES 162.3 MN, KES 479.2 MN and KES 604.1 MN respectively. Conversely, I&M Uganda recorded a loss after tax of KES 1.0 MN. The group's net interest income rose 2.9% y-o-y to KES 10.6 BN on the back of a 7.2% y-o-y rise in interest income to KES 19.2 BN and a 12.9% y-o-y rise in interest expense to KES 8.6 BN. Non-interest income rose 14.0% y-o-y to KES 6.3 BN on the back of an 11.1% y-o-y rise in fees on loans to KES 1.4 BN, a 1.1% y-o-y rise in other fees and commissions to KES 1.9 BN and a 111.8% increase in other in-come to KES 1.2 BN. Operating expenses rose 10.1% y-o-y to KES 6.9 BN whereas loan loss provision expense declined 31.6% y-o-y to KES 1.3 BN. Loans and advances rose 6.6% y-o-y to KES 174.1 BN whereas customer deposits rose 13.0% y-o-y to KES 236.2 BN. Gross NPLs rose 8.9% y-o-y to KES 24.1 BN placing the NPL ratio at 12.1%. The earnings per share (EPS) for the period advanced to KES 15.24 per share compared to KES 13.36 recorded in the last period. *(Source: Company Filings, DBIB Research)*

### DTB Kenya 3Q19 Results

**DTB Kenya** announced its 3Q19 results, recording a 6.2% y-o-y increase in Profit after Tax (PAT) to KES 6.0 BN.

DTB Kenya announced its 3Q19 results, recording a 6.2% y-o-y increase in Profit after Tax (PAT) to KES 6.0 BN. Net interest margin (NIM) came in at a 5-year record low of 5.2%, representing a 26 bps y-o-y decline courtesy of a 53 bps y-o-y decline in its annualized yield on interest earning assets to 9.8%, a 5-year record low as well. The group's annualized cost of funds also came in at a 5-year record low of 4.6%, representing a 13bps y-o-y decline. Interest income plunged by 7.3% y-o-y to KES 24.5 BN whereas interest expense declined 7.0% y-o-y to KES 10.7 BN. As a result, net interest income shrunk 7.5% y-o-y to KES 13.8 BN in 3Q19. Non-funded income rose 5.7% y-o-y to KES 4.4 BN which saw a 236 bps y-o-y decline in funded income reliance to 75.9%. Loans and advances declined 2.9% y-o-y to KES 192.0 BN. Investment securities recorded a similar trajectory, 0.6% down y-o-y to KES 127.5 BN. On the other hand, customer deposits rose 0.3% y-o-y to KES 283.1 BN. Gross NPLs saw an upswing of 9.6% y-o-y to KES 17.9 BN. In turn, total NPLs rose 9.0% y-o-y to KES 15.1 BN. Core capital ratio (Core capital/TRWA) rose 420 bps y-o-y to 19.1% whereas Total capital/TRWA ratio rose 390 bps y-o-y to 21.2%. Both ratios remain above the statutory minimum of 10.5% and 14.5% respectively. Liquidity ratio rose 710 bps y-o-y to 55.6, above the statutory minimum of 20.0%. EPS for the period stood at KES 20.10. *(Source: Company Filings, DBIB Research)*

---

## Kenya Market News

### Williamson Tea 1H20 Earnings

**Williamson Tea** released their 1H20 results recording a 22.6% y-o-y reduction in losses after tax to KES 65.87 MN despite a 33.2% y-o-y decline in turnover to 1.32 BN.

Williamson Tea released their 1H20 results recording a 22.6% y-o-y reduction in losses after tax to KES 65.87 MN despite a 33.2% y-o-y decline in turnover to 1.32 BN. This was a result of the failure of prices to rise in response to reduced crop yield owing to enormous carryover of unsold stock from other tea producers which negated a prolonged dry weather spike in prices. Total expenses declined 26.2% y-o-y to KES 1.4 BN. The company's biological assets recorded a KES 5.08 MN y-o-y increase in fair value compared to a KES 50.25 MN decrease recorded in 1H19. They also recorded KES 37.84 MN in finance income in contrast to a KES 44.84 MN finance cost recorded in 1H19. Losses per share declined 17.6% y-o-y to KES 3.61. Total assets declined 3.6% over the half year period to KES 7.97 BN on account of a 9.7% h-o-h drop in current assets to KES 2.5 BN. Total liabilities edged up 6.4% h-o-h to KES 2.08 BN on account of a 14.6% h-o-h rise in current liabilities to KES 797.19 MN. Total equity declined 6.7% h-o-h to KES 5.89 BN.

Cash generated from operating activities shed 62.8% y-o-y to KES 248.21 MN as a consequence of the combined effect of lower operating crop activities, lower prices and weak market forces. Cash used in investing activities increased by 138.7% y-o-y to KES 240.95 MN as a result of a 151.3% y-o-y increase in cash used to in purchasing plant and equipment to KES 263.9. Cash used in financing activities as well rose to KES 605.5 MN from KES 29.83 MN in 1H19 occasioned by an increase in dividends paid to shareholders to KES 529.0 MN from KES 0.44 MN in 1H19. The company recorded a KES 598.2 MN decrease in cash and cash equivalents seeing them close the period with a balance of KES 810.16, 41.9% lower than their balance at the end of 1H19. The company cites challenges in persuading buyers to benchmark their farms at a superior price level given the abundance of cheaper priced tea in the market. They note that it is unlikely that they will make up for their crop deficits by the end of their financial year or that prices will rise. *(Source: Company Filings, DBIB Research)*

### Kapchorua Tea 1H20 Earnings

**Kapchorua Tea** released its 1H20 results recording a KES 15.07 MN loss after tax, 80.3% lower than the loss recorded in 1H19.

Kapchorua Tea released its 1H20 results recording a KES 15.07 MN loss after tax, 80.3% lower than the loss recorded in 1H19. This was despite a 46.4% y-o-y decrease in turnover to KES 388.22 MN. Total expenses dropped 44.1% y-o-y to KES 429.85 MN. The company recorded a KES 3.06 MN increase in the fair value of their biological assets in contrast to a KES 57.50 MN decrease recorded in 1H19. They further posted KES 17.05 MN in finance income compared to a finance cost of KES 109.26 posted in 1H19. Total non-current assets shed 3.5% over the half year period to KES 1.12 BN period courtesy of a 4.7% h-o-h decrease in PPE to KES 876.56 MN. Current assets as well declined 7.3% h-o-h to close at KES 808.92 MN. Non-current and current liabilities shed 0.2% and 7.3% h-o-h to close the period at KES 371.22 MN and KES 183.16 MN respectively. Cash generated from operating activities recorded a 43.1% y-o-y drop to KES 150.38 MN impelled by a 59.2% y-o-y decline in cash from operations to KES 151.62 MN. Cash used in investing activities increased by 47.4% y-o-y to 57.24 MN. The company recorded KES 98.03 MN in cash used in financing activities. Cash and cash equivalents decreased by KES 4.89 MN seeing the company close the period with a balance of KES 362.53 MN, 1.3% lower than their balance at the end of 1H19. *(Source: Company Filings, DBIB Research)*



---

## Kenya Market News

### November Inflation stood at 5.56%

In November 2019, the **inflation rate** edged up by 61 bps to stand at 5.56%.

Kenya National Bureau of Statistics (KNBS) reported that the consumer price indices (CPI) rose by 0.4% to 202.94 in November from 202.12 in October. In turn, the inflation rate edged up by 61 bps to stand at 5.56% in November compared to 4.95% in October. The Food and Non-Alcoholic Index, which accounts for 36.0% of the CPI, rose by 0.6% owing to the increase in the prices of several foodstuffs such as irish potatoes, tomatoes, sifted maize-flour, green grams and mineral waters which increased by 7.0%, 6.1%, 4.3%, 3.9% and 2.4% respectively. These increases out-weighted the decline in some foodstuffs i.e. un-packeted fresh milk, wheat flour and sugar prices which dropped by 4.1%, 0.6% and 0.5% respectively. The Housing, Water, Electricity and other Fuels' Index, which accounts for 18.3% of the CPI, rose by 0.3% following the increase in the cost of house rent and cooking fuels despite a 1.1% decrease in LPG gas prices. To top it off, the Transport Index, which accounts for 8.7% of the CPI, increased by 0.3% due to an increase in pump prices of diesel and petrol. *(Source: KNBS, DBIB Research)*

---

## East African Market News

### NMB Bank Plc 3Q19 results

On a quarterly basis, **NMB Bank Plc** posted a 21.8% y-o-y decrease in profit after tax of TZS 25.37 BN

On a quarterly basis, NMB Bank Plc posted a 21.8% y-o-y decrease in profit after tax of TZS 25.37 BN driven by a 22.7% y-o-y decline in total operating income to TZS 36.78 BN. Net interest income saw a 1.7% y-o-y decline to TZS 124.37 BN due to a 13.1% y-o-y increase in interest expense to TZS 31.40 BN. Non-interest income grew by 17.7% y-o-y to TZS 59.25 BN largely driven by a 17.2% y-o-y increase in fee and commission to TZS 51.45 BN. Operating expenses increased y-o-y by 0.6% to TZS 102.43 BN impelled by a 13.2% y-o-y increase in fee and commission expense to TZS 4.1 BN and a y-o-y 4.3% growth in salaries and benefits to TZS 47.27 BN. Moreover, investment in government securities sub-sided 6.1% y-o-y to TZS 867.95 BN. Customer deposits declined y-o-y by 7.8% to TZS 4,540.54 BN while non-performing loans grew by 20.9% y-o-y to TZS 300.97 BN while loan loss provisions grew y-o-y by 25.1% to TZS 220.72 BN. EPS closed at TZS 50 per share. *(Source: Company Filings, DBIB Research)*

### DCB Bank 3Q19 Earnings

**DCB Bank** posted their 3Q19 earnings recording a 7.5% y-o-y increase in profit after tax to TZS 1.5 BN.

DCB Bank posted their 3Q19 earnings recording a 7.5% y-o-y increase in profit after tax to TZS 1.5 BN. Net interest income declined 16.5% y-o-y to TZS 10.1 BN courtesy of a 14.3% drop in interest income to TZS 14.7 BN and a 9.2% y-o-y decline interest expense to TZS 4.6BN. Non-interest income edged up 20.0% y-o-y TZS 3.0 BN on the back of a 13.8% and 37.1% y-o-y increase in fees and commissions and other operating income to TZS 2.1 BN and TZS 873.6 MN respectively. Total assets rose 4.8% q-o-q to TZS 141.0 BN impelled by a 34.2% q-o-q growth in investments in government securities to TZS 17.3 BN and a 4.0% q-o-q growth in their loan book to TZS 80.7 BN. Total liabilities grew by 5.7% q-o-q to TZS 112.2 BN occasioned by a 5.6% q-o-q increase in customer deposits to TZS 84.4 BN and a 35.5% rise in borrowings to TZS 10.5 BN. Total shareholder's equity remained fairly flat edging up 1.5% q-o-q to TZS 28.7 BN. Total Non-performing loans declined 6.0% q-o-q to TZS 15.8 BN. The company posted an increase in cash and cash equivalents of TZS 621.3 MN compared to a decrease of TZS 15.6 BN recorded in 3Q18 owing to a 97.1% y-o-y decline in cash used in operating activities to TZS 439.9 MN. They closed their books with a cash and cash equivalents balance of TZS 12.8 BN, 35.0% lower than their balance at the end of 3Q18. *(Source: Company Filings, DBIB Research)*



---

## Profit Warnings

- Sasini
- Kenya Power
- Eaagads
- BOC Gases

## UPCOMING EVENTS

<b>Company</b>	<b>Announcement</b>	<b>Book Closure</b>	<b>Payment</b>
Unga	First & Final Div: KES 0.50	05-Dec-19	15-Jan-20
Longhorn	Final Div: KES 0.52	28-Nov-19	26-Feb-20
Kenya Re	Bonus Issue of 3:1	14-Jun-19	N/A
Carbacid	Final Div: KES 0.70	06-Nov-19	N/A

*(Source: NSE, DBIB Research)*

## AGM SCHEDULE

<b>Company</b>	<b>Time</b>	<b>Venue</b>	<b>Date</b>
Unga	10.00 AM	Kenya School of Government	05-Dec-19
Carbacid	10.00 AM	Azure Hotel	05-Dec-19

*(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*

### DISCLAIMER

*While every care has been taken in preparing this report and it has been prepared from sources believed to be reliable, no representation, warranty, or undertaking (express or implied) is given and no responsibility is accepted by Dyer and Blair Investment Bank Limited, its related companies, subsidiaries, affiliates, its employees and agents, as to the accuracy and completeness of the information contained herein or in respect of any reliance on or use thereof. This report is solely intended for distribution to clients of Dyer and Blair Investment Bank Limited. Any information may be changed after distribution at any time without any notice.*