

DBIB WEEKLY BULLETIN

WEEK 21

Date: 27.05.2022

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WEEKLY BOURSE WRAP UP...

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Safaricom emerged the top traded counter on the bourse recording a weekly turnover of USD 12.50 MN (KES 1.46 BN) representing 34.49% of this week's turnover.

The stock **dropped** by 4.9% w-o-w to close at KES 26.45 on Friday.

Foreign investors assumed a **net selling** position on the counter this week by accounting for 95.64% of foreign sales and 18.95% of foreign purchases.

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Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Home Afrika	9.7
Car & General	9.5
Eaagads Ltd	9.3
NBV Ltd	7.7
E.A. Portland	7.7

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Kapchorua Tea	(6.8)
Eveready E.A	(6.0)
Sanlam Kenya	(5.7)
Uchumi	(5.3)
Safaricom	(4.9)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	12.50
Stanbic Holdings	9.19
E.A Breweries	6.88
Equity Group	2.83
KCB Group	1.73

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Crown Paints	24.3
Stanbic Holdings	23.8
Sanlam Kenya	21.2
Umeme Ltd	18.4
E.A. Portland	17.1

(Source: NSE, DBIB Research)

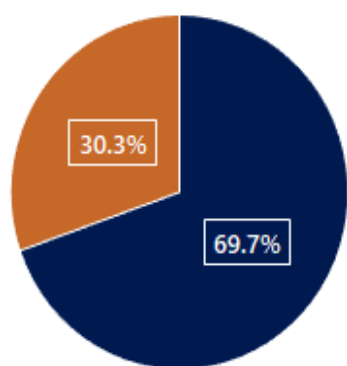


<u>Top Losers</u>	<u>%</u>
NBV Ltd	(47.2)
Safaricom	(30.3)
Centum	(29.1)
WPP Scangroup	(28.0)
Uchumi	(25.0)

(Source: NSE, DBIB Research)



WEEKLY LOCAL VS FOREIGN PARTICIPATION



■ Foreign Participation
■ Local Participation

(Source: NSE, DBIB Research)

Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
Stanbic Holdings	99.8
BAT Kenya	98.9
NBV Ltd	70.4
Equity Group	69.1
Jubilee Holdings	56.9

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
Stanbic Holdings	99.8
E.A Breweries	98.3
BAT Kenya	98.0
Safaricom	95.6
NSE	94.9

Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	99.8
Crown Paints	97.0
BK Group	95.9
Stanbic Holdings	82.6
BAT Kenya	82.6

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
New Gold ETF	91.8
Safaricom	85.9
TPS E.A	82.1
BAT Kenya	82.0
E.A Breweries	79.3

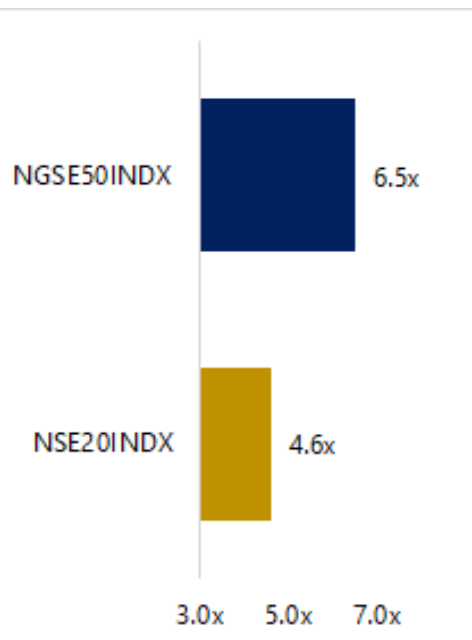
INDICES & MARKET METRICS MOVEMENT

NSE 20 gained 0.4% w-o-w to close at 1,687.81 while **NASI** shed 2.0% w-o-w to close at 129.84.

Weekly equity turnover advanced by 157.3% w-o-w to USD 36.25 MN (KES 4.23 BN).

USD | KES: KES weakened 0.2% w-o-w to close at 116.69 (-3.1% YTD).

PEER P/E MULTIPLES



NSE20INDX* - NSE 20 Index
NGSE50INDX* - Nigeria Stock Exchange 50 Index

*LTM Price/EPS

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	129.84	(2.02)	(18.87)	(21.20)	(22.00)
NSE-20	1,687.81	0.43	(10.38)	(10.53)	(11.29)
DBIB Select	89.97	(0.68)	(9.29)	(13.43)	(7.96)
FTSE 15	173.67	0.47	(15.67)	(14.95)	(17.10)
FTSE 25	175.56	(1.18)	(18.95)	(20.52)	(21.76)
FTSE Frontier 50	45,927.94	0.18	(7.00)	(9.92)	(10.69)

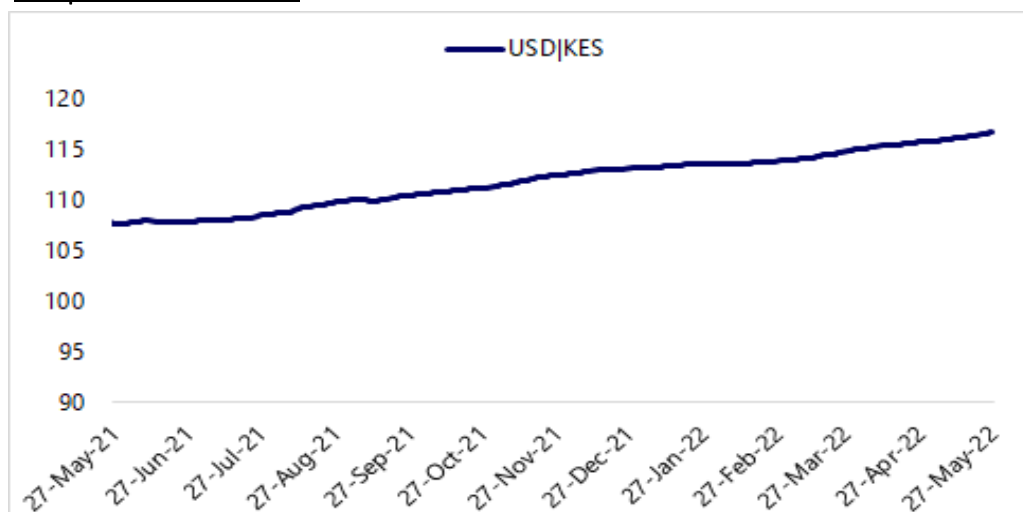
(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	2,023.07	(2.03)	(13.57)	(18.83)	(21.17)
Market Turnover (USD m)	36.25	157.31	333.56	76.67	(31.68)
Market P/E (x)	13.27	(4.35)	(14.77)	(10.57)	(13.26)
Market Div. yld (%) *	6.82	13.86	223.92	311.71	341.71
Market ROE (%) *	35.49	(17.06)	(361.24)	(431.36)	178.64

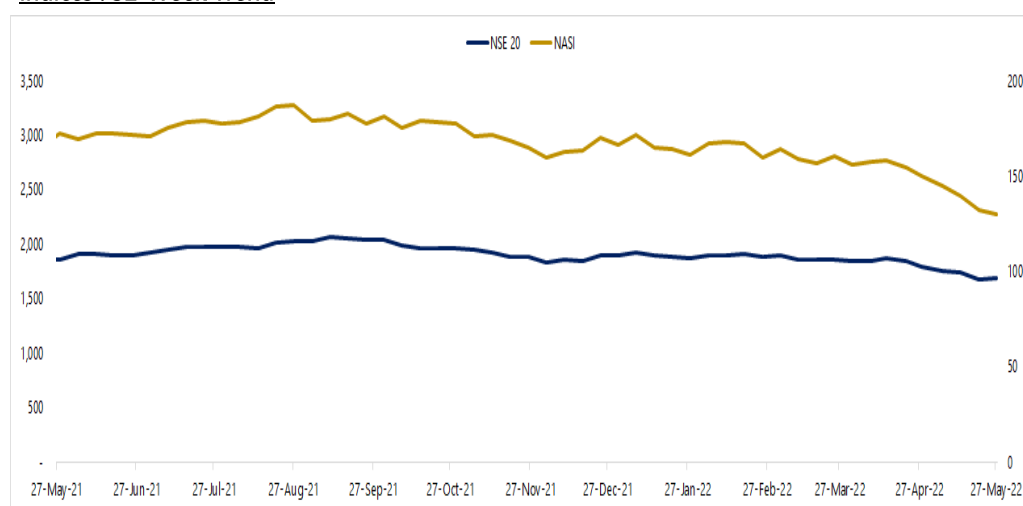
* Changes in % **Changes in bps -Market ROE is market cap weighted -ch: changes

(Source: NSE, DBIB Research)

USD | KES : 52-Week Trend



Indices : 52-Week Trend



(Source: NSE, DBIB Research)

FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 121.43 MN (KES 14.17 BN) representing a 2.3% w-o-w rose from USD 118.68 MN (KES 13.81 BN) recorded the previous week.

The Bond market's turnover for the week stood at USD 121.43 MN (KES 14.17 BN) representing a 2.3% w-o-w rose from USD 118.68 MN (KES 13.81 BN) recorded the previous week. The bond issue number IFB1/2022/19Yr emerged as the top traded bond with a turnover of KES 2.24 BN accounting for 15.8% of the week's turnover. The bond traded between 12.1000% and 13.5400%.

June Issue: IFB1/2022/18 (New)

The Central Bank of Kenya has invited bids for a new infrastructure bond IFB1/2022/18 with the intention of raising KES 75.0 BN for funding infrastructure projects in the current fiscal year FY21/22. The bond will have a tenor of 18 years and the coupon rate will be market determined. The period of sale runs from 23 May 2022 to 7 June 2022.

Top Trades for the week ending 27 May 2022

						Total
			Coupon	Yield	Price	Value
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
27-May	FXD 2/2017/5Yr	0.4	12.5170	9.1500	102.59	793.0
23-May	FXD3/2007/15Yr	0.5	12.5000	9.2661	101.90	700.0
25-May	FXD3/2007/15Yr	0.4	12.5000	9.0000	102.07	700.0
25-May	IFB 1/2017/7Yr	2.5	12.5000	10.4000	102.82	378.7
23-May	IFB 1/2018/15Yr	10.6	12.5000	13.2500	100.34	308.0
26-May	IFB 1/2018/15Yr	10.6	12.5000	13.0500	101.41	308.0
23-May	IFB 1/2016/9Yr	3.0	12.5000	11.7000	101.83	300.0
23-May	IFB 1/2016/9Yr	3.0	12.5000	11.4750	102.29	300.0
27-May	FXD1/2020/5Yr	2.9	11.6670	11.7000	100.48	300.0
23-May	IFB 1/2022/19Yr	18.7	12.9650	13.1250	102.20	250.0
25-May	IFB 1/2021/21Yr	20.2	12.7370	13.2000	99.63	250.0
25-May	IFB 1/2022/19Yr	18.7	12.9650	12.9250	103.55	250.0
26-May	IFB 1/2021/21Yr	20.2	12.7370	12.9500	101.18	250.0
23-May	IFB 1/2021/18Yr	16.8	12.6670	12.3215	103.50	241.5
26-May	FXD1/2018/25Yr	21.0	13.4000	13.9300	102.17	200.0
23-May	FXD1/2018/25Yr	21.0	13.4000	13.9613	101.85	160.0
23-May	IFB 1/2021/21Yr	20.2	12.7370	13.0000	100.77	150.0
23-May	IFB 1/2022/19Yr	18.7	12.9650	13.0250	102.82	150.0

Sell & buy-backs

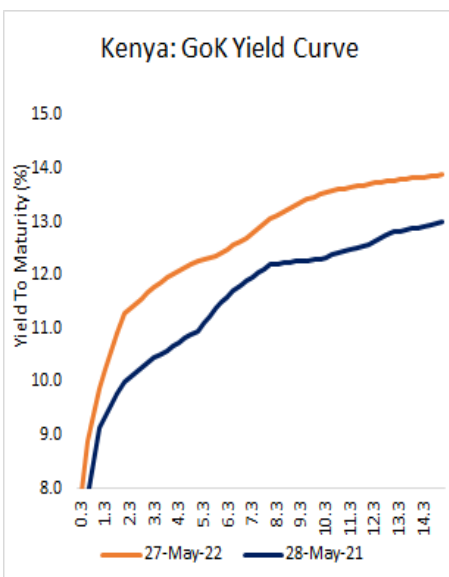
23-May	IFB 1/2022/19Yr	18.7	12.9650	13.0550	102.63	635.0
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(Source: NSE, DBIB Research)

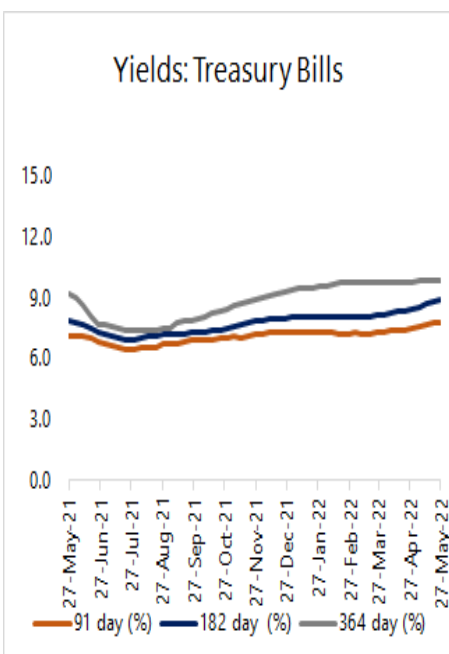
Treasury Bill auction for the week ending 27 May 2022

Instrument	Amount	Bids Received	Subscription	Bids Accepted	Yield	w-o-w
	(KES Bn)	(KES Bn)	Rate (%)	(KES Bn)	(%)	bps ch
91-day	4.00	0.49	12.36	0.47	7.744	(1.4)
182-day	10.00	2.85	28.46	2.85	8.901	6.9
364-day	10.00	9.72	97.21	9.20	9.881	0.2

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

Salient News

KCB Group 1Q22 earnings

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KCB Group released its 1Q22 results posting a 54.6% y-o-y upswing in after tax profits to KES 9.9 BN.

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KCB Group released its 1Q22 results posting a 54.6% y-o-y upswing in after tax profits to KES 9.9 BN. The higher earnings were mainly driven by an 18.0% y-o-y growth in net interest income to KES 19.7 BN, a 47.2% y-o-y rise in non-funded income to KES 9.3 BN and a 27.5% y-o-y decline in loan loss provisions to KES 2.1 BN. EPS for the period settled at KES 12.18 (1Q21: KES 7.94).

Net interest income rose by 18.0% y-o-y to KES 19.7 BN backed by a 21.2% yo-y increase in total interest income to KES 26.6 BN mitigating the impact of higher total interest expenses, which notched up by 31.4% y-o-y to KES 6.9 BN. The annualized yield on interest earning assets rose marginally by 17 bps y -o-y to 10.5% while the annualized cost of funds increased by 40 bps y-o-y to 3.0% (attributable to KES depreciation, LIBOR increase and an upswing in term deposit rates). Subsequently, the group's NIM came down by 23 bps y-o-y to 7.5%.

Progress was noted with regard to non-funded income which climbed by an impressive 47.2% y-o-y to KES 9.3 BN lifting the group's non-funded income contribution by 460 bps y-o-y to 32.0%. The growth in non-funded income was powered by a 73.2% y-o-y growth in fees and commissions income to KES 2.6 BN, a 34.7% yo-y improvement in other fees and commissions to KES 3.3 BN, a 46.2% y-o-y rise in forex trading income to KES 1.7 BN and a 41.4% y-o-y increase in other income to KES 1.6 BN.

Operating expenses (excluding provisions) went up by 16.8% y-o-y to KES 12.9 BN principally buoyed by a 28.8% y-o-y advancement in other expenses to KES 4.3 BN and an 11.0% y-o-y increase in staff costs to KES 6.7 BN. Despite the higher operating expenses (sans provisions), the group's cost-to-income ratio slid by 349 bps y-o-y to 44.5% owing to a faster rise in total operating income (+26.0% y-o-y to KES 29.0 BN). The group attributed the rise in operating expenses to the consolidation of BPR and higher marketing, advertising & outsourcing services in KCB Kenya.

Loan loss provisions trended lower easing by 27.5% y-o-y to KES 2.1 BN even as the groups' gross non-performing loans increased by 33.6% y-o-y to KES 130.9 BN. The deterioration in asset quality was further reflected in the NPL ratio which climbed by 50 bps y-o-y to a lofty 17.0%. According to the group, the poor asset quality performance continued to be mostly affected by the manufacturing, building & construction and hospitality sectors.

The group's loan origination efforts continued to bear fruits as net loans and advances to customers climbed by 18.0% y-o-y to KES 704.4 BN (+4.3% q-o-q). The group's portfolio of investment securities also edged up further, rising by 32.6% y-o-y to KES 281.8 BN (+2.0% q-o-q). On the funding side, customer deposits increased by 12.9% y-o-y to KES 845.8 BN (+1.0% q-o-q) while borrowed funds went up by 5.2% y-o-y to KES 37.8 BN (+0.8% q-o-q).

On a trailing basis, KCB Group is currently trading at a P/E multiple of 3.1x against an industry median of 3.8x and a P/B multiple of 0.6x against an industry median of 0.7x. Its ROE stands at 20.6% while its ROA stands at 3.2%.

(Source: Company, DBIB Research)

Salient News cont'd

CO-OP Group 1Q22 earnings

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CO-OP Group released its 1Q22 results reporting a 68.9% y-o-y growth in after tax profits to KES 5.8 BN.
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CO-OP Group released its 1Q22 results reporting a 68.9% y-o-y growth in after tax profits to KES 5.8 BN. The rise in profitability was mainly underpinned by a 41.7% y-o-y rise in non-funded income to KES 6.4 BN, a 32.3% y-o-y reduction in loan loss provisions to KES 1.5 BN and a 5.5% y-o-y growth in net interest income to KES 10.4 BN. EPS for the period went up by 68.9% y-o-y to KES 0.99 (1Q21: KES 0.59).

Net interest income rose by a modest 5.5% y-o-y to KES 10.4 BN, led by a 4.1% y-o-y growth in total interest income to KES 14.0 BN. Total interest expenses remained flat at KES 3.6 BN. The annualized yield on interest earning assets eased by 41 bps y-o-y to 10.9% while the annualized cost of funds shed 14 bps y-o-y to 3.2% resulting in a 26 bps y-o-y drop in the NIM to 7.7%.

Non-funded income soared by 41.7% y-o-y to KES 6.4 BN largely driven by a 94.4% y-o-y jump in fees and commissions on loans and advances to KES 2.6 BN. Other fees and commissions edged up by 17.4% y-o-y to KES 2.8 BN while other income surged by 143.9% y-o-y to KES 273.3 MN. Forex trading income went up by 7.5% y-o-y to KES 766.8 MN. The contribution of non-funded income to total operating income inched higher by 667 bps y-o-y to 38.2% (1Q21: 31.5%).

The group's operating expenses (minus provisions) climbed by 7.3% y-o-y to KES 7.5 BN mainly on the back of a 9.4% y-o-y rise in staff costs to KES 3.5 BN and a 9.9% y-o-y increase in other expenses to KES 2.9 BN. On a positive note, the group's cost-to-income ratio came down by 399 bps y-o-y to 44.6% as a result of a faster rise in total operating income (+16.9% y-o-y to KES 16.8 BN) vis-à-vis the growth registered in operating expenses.

Gross non-performing loans dwindled by 4.9% y-o-y to KES 49.5 BN while interest in suspense eased by 7.8% y-o-y to KES 6.2 BN. As a result, total NPLs (gross NPLs less interest in suspense) slipped by 4.4% y-o-y to KES 43.2 BN. The estimated NPL ratio declined by 162 bps y-o-y to 13.2% (1Q21: 14.8%). The NPL coverage rose to 60.3% from 52.2% in 1Q21. **Loan loss provisions eased by 32.3% yo-y to KES 1.5 BN** mirroring the decline in gross non-performing loans and this led to an estimated cost of risk of 1.9% which was 116 bps lower y-o-y.

Net loans and advances to customers rose by 8.8% y-o-y to KES 324.5 BN (+4.6% q-o-q). Government and investment securities also edged up further, increasing by 10.6% y-o-y to KES 185.0 BN (-0.4% q-o-q). On the funding side, customer deposits increased by 4.3% y-o-y to KES 410.8 BN (+0.8% q-o-q) while borrowed funds came down by 7.7% y-o-y to KES 43.3 BN (+0.8% q-o-q).

On a trailing basis, Co-op Group is currently trading at a P/E multiple of 3.6x against an industry median of 3.8x and a P/B multiple of 0.7x against an industry median of 0.7x. Its ROE stands at 18.4% while its ROA stands at 3.2%. *(Source: Company, DBIB Research)*

Salient News cont'd

ABSA Group 1Q22 earnings

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ABSA Group released its IQ22 results recording a 22.1% y-o-y increase in profit after tax (PAT) to KES 2.9 BN.

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ABSA Group released its IQ22 results recording a 22.1% y-o-y increase in profit after tax (PAT) to KES 2.9 BN. Performance was supported by a 12.3% y-o-y increase in total income to KES 9.9 BN and a 15.3% y-o-y decline in the loan loss provision expense to KES 1.2 BN. EPS for the period stood at KES 0.54 (+22.1% y-o-y).

Net interest income grew by 15.4% y-o-y to KES 6.9 BN, on the back of a 15.6% y-o-y increase in interest income to KES 8.8 BN. Interest expense increased 16.2% y-o-y to KES 1.9 BN, eating into net interest income growth. The annualized net interest margin increased marginally by 6 bps y-o-y to 6.6%.

Non-funded income grew by 5.8% y-o-y to KES 3.0 BN, attributable to 31.3% y-o-y increase in net income from forex dealings to KES 1.2 BN and a 12.9% y-o-y increase in other operating income to KES 327.7 MN. Fees and commission income on the other hand declined by 10.0% y-o-y to KES 1.5 BN. The funded income reliance in turn increased 186 bps y-o-y to 69.5%.

Operating expenses (less loan loss provisions) increased by 10.1% y-o-y to KES 4.4 BN. Staff costs declined 2.0% y-o-y to KES 2.2 BN whereas other operating expenses increased 33.0% y-o-y to KES 1.9 BN.

Pre-provision operating profit increased 14.1% y-o-y to KES 5.5 BN. Loan loss provision expense saw a 15.3% y-o-y decline to KES 1.2 BN, placing the annualized cost of risk at 1.9%, 61 bps lower y-o-y. In turn, pre-tax profit was up 26.1% y-o-y to KES 4.3 BN.

Customer loans and advances grew by 11.2% y-o-y to KES 242.7 BN (+3.6% q-o-q). Government securities saw a 6.4% y-o-y increase to KES 87.8 BN (-0.6% q-o-q) whereas held for dealing securities increased by 10.7% y-o-y as well as q-o-q to KES 48.9 BN.

On the funding side, customer deposits saw a 4.8% y-o-y increase to KES 269.5 BN (+0.3% q-o-q). The loans-to-deposits ratio stood at 90.0%, up 513 bps y-o-y.

Gross NPL edged up by 12.9% y-o-y to stand at KES 19.5 BN (-1.6% q-o-q), with the NPL ratio increasing by 11 bps y-o-y to stand at 7.4% (-36 bps q-o-q). The NPL coverage ratio increased 387 bps y-o-y to 72.9% (-163 bps q-o-q).

On a trailing basis, ABSA is trading at a P/E ratio of 4.7x relative to an industry median of 3.8x, and a P/B ratio of 0.9x relative to an industry median of 0.7x. Its annualized ROE stands at 19.3% whereas annualized ROA stands at 2.6%..

(Source: Company, DBIB Research)

Salient News cont'd

I&M Group 1Q22 earnings

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I&M Group released its 1Q22 results reporting a 43.6% y-o-y improvement in profit after tax (PAT) to KES 2.7 BN.

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I&M Group released its 1Q22 results reporting a 43.6% y-o-y improvement in profit after tax (PAT) to KES 2.7 BN mainly owing to a 20.7% y-o-y increase in net interest income to KES 5.2 BN, a 20.3% y-o-y growth in non-funded income to KES 2.2 BN and a 36.7% y-o-y drop in loan loss provision expense to KES 480.7 MN. Earnings per share (EPS) for the period came in at KES 1.55 (1Q21: KES 1.08).

Net interest income rose by 20.7% y-o-y to KES 5.2 BN due to a 20.6% y-o-y rise in interest income to KES 8.6 BN which offset a 20.6% y-o-y increase in interest expense to KES 3.4 BN. Annualized yield on interest earning assets rose marginally by 7 bps y-o-y to 9.4% while annualized cost of funds remained unchanged on a y-o-y basis at 3.9%. As a result, the group's annualized net interest margin (NIM) rose slightly by 7 bps to 5.5%.

Non-funded income went up by 20.3% y-o-y to KES 2.2 BN on account of a 20.3% y-o-y growth in fees and commission on loans to KES 496.6 MN, a 33.6% y-o-y rise in other fees and commissions to KES 865.0 MN and a 75.8% y-o-y upswing in foreign exchange trading income to KES 612.8 MN. Other operating income declined by 47.0% y-o-y to KES 220.9 MN. The contribution of non-funded income to total operating income remained unchanged at 29.7% (1Q21: 29.7%).

Operating expenses (less loan loss provisions) inched higher by 20.2% y-o-y to KES 3.4 BN mainly attributable to a 13.8% y-o-y increase in staff costs to KES 1.3 BN and a 15.5% y-o-y increase in other operating expenses to KES 1.3 BN. Cost to income ratio for the period fell by 14 bps y-o-y to 45.5%.

Customer loans and advances advanced by 13.1% y-o-y to KES 218.4 BN (+3.7% q-o-q) while investment securities rose by 21.0% y-o-y to KES 124.0 BN (-1.2% q-o-q). On the funding side, customer deposits increased by 17.6% y-o-y to KES 309.4 BN (+4.3% q-o-q) while borrowed funds rose by 35.4% y-o-y to KES 19.9 BN (+2.0% q-o-q).

Loan loss provision expense dropped by 36.7% y-o-y to KES 480.7 MN placing the cost of risk at 0.9%, 69 bps lower y-o-y. Gross non-performing loans for the group declined by 4.4% y-o-y to KES 23.6 BN pulling down the NPL ratio by 159 bps y-o-y to 9.8%.

Gross non-performing loans for the group declined by 4.4% y-o-y to KES 23.6 BN while interest in suspense edged up by 3.1% y-o-y to KES 4.0 BN placing total loans at KES 19.6 BN, 5.8% lower on a y-o-y basis. As such, NPL ratio dropped by 159 bps y-o-y to 9.8%. Cumulative loan loss provisions rose by 16.1% y-o-y to KES 13.0 BN (+12.0% q-o-q) placing the NPL coverage ratio at 66.4% (1Q21: 53.9%).

On a trailing basis, I&M is trading at a P/E multiple of 3.3x against a sector median of 4.0x and a P/B multiple of 0.4x against a sector median of 0.7x. Its ROE stands at 12.6% while its ROA stands at 2.1%.

(Source: Company, DBIB Research)

Salient News cont'd

DTB Group 1Q22 earnings

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DTB Group announced its 1Q22 results reporting a 16.3% y-o-y increase in profit after tax (PAT) to KES 2.4 BN.

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DTB Group announced its 1Q22 results reporting a 16.3% y-o-y increase in profit after tax (PAT) to KES 2.4 BN mainly attributable to an 11.6% y-o-y growth in net interest income to KES 5.5 BN, a 14.1% y-o-y rise in non-funded income to KES 1.8 BN and a 14.9% y-o-y drop in loan loss provision expense to KES 582.0 MN. EPS for the period stood at KES 7.79 compared to KES 6.97 in 1Q21.

Net interest income rose by 11.6% y-o-y to KES 5.5 BN following a 10.7% y-o-y growth in interest income to KES 9.2 BN which outweighed a 9.5% y-o-y jump in the interest expense to KES 3.7 BN. Annualized yield on interest earning assets rose slightly to 9.0% (+6 bps y-o-y) while annualized cost of funds eased marginally by 13 bps y-o-y to 3.9%. As a result, the group's annualized net interest margin (NIM) grew by 19 bps y-o-y to 5.2%.

Non-funded income (NFI) grew by 14.1% y-o-y to KES 1.8 BN driven by a 41.7% y-o-y jump in other fees and commission to KES 555.1 MN and a 10.2% y-o-y rise in net income from forex dealings to KES 773.1 MN. Fees and commissions on loans remained fairly flat at KES 314.6 MN (+0.3% y-o-y) while other operating income dwindled by 10.8% y-o-y to KES 136.5 MN. The contribution of non-funded income to total operating income increased to 24.3% from 23.9% in 1Q21.

Operating expenses (less loan provisions) increased by 16.8% y-o-y to KES 3.3 BN mainly due to a 16.2% y-o-y rise in other operating expenses to KES 1.4 BN and a 17.0% y-o-y advancement in staff costs to KES 1.4 BN. Cost-to-income ratio inched higher by 181 bps y-o-y to 45.3%.

Customer loans and advances inched higher by 9.2% y-o-y to KES 224.8 BN (+2.0% q-o-q). The group's investments in investment securities rose by 10.4% y-o-y to KES 169.0 BN (flat on a q-o-q basis). On the funding side, customer deposits went up by 13.7% y-o-y to KES 343.1 BN (+3.5% q-o-q) while borrowed funds fell by 26.2% y-o-y to 16.1 BN (-20.3% q-o-q).

The group's loan loss provision expense saw a 14.9% y-o-y decrease to KES 582.0 MN pivoting the annualized cost of risk to 1.0% (1Q21: 1.3%). Gross non-performing loans for the group soared by 30.7% y-o-y to KES 30.0 BN placing the NPL ratio at 11.8%, 174 bps higher y-o-y.

Gross non-performing loans (NPLs) rose by 30.7% y-o-y to KES 30.0 BN while interest expense shot up by 153.9% y-o-y to KES 1.4 BN placing total NPLs at KES 28.6 BN, 27.6% higher y-o-y. As a result, the NPL ratio increased by 174 bps y-o-y to 11.8%. Cumulative loan loss provisions rose by 11.1% y-o-y to KES 11.2 BN (-1.0% q-o-q) pulling down the NPL coverage ratio to 39.3% from 45.2% in 1Q21.

On a trailing basis, DTB is trading at a P/E multiple of 3.4x against an industry median of 4.0x and a P/B multiple of 0.2x against an industry median of 0.7x. Its ROE stands at 6.0% while its ROA stands at 0.9%.

(Source: Company, DBIB Research)

UPCOMING EVENTS

Profit Warnings

1. Sanlam

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
KCB Group	Final: KES 2.00	25-Apr-22	07-Jul-22
Stanbic Holdings	Final: KES 7.30	20-May-22	03-Jun-22
Equity Group	First & Final: KES 3.00	20-May-22	30-Jun-22
Bamburi Cement	First & Final: KES 3.58	26-May-22	26-Jul-22
BOC Kenya	Final: KES 2.90	27-May-22	19-Jul-22
Co-operative Bank	First & Final: KES 1.00	30-May-22	17-Jun-22
Kakuzi	First & Final: KES 22.00	31-May-22	30-Jun-22
NSE	Final: KES 0.40	03-Jun-22	15-Jul-22
NSE	Special: KES 0.50	03-Jun-22	15-Jul-22
Kenya Re	First & Final: KES 0.10	17-Jun-22	29-Jul-22
BK Group	First & Final: FRw 28.7	22-Jun-22	01-Jul-22
Umeme Ltd	Final: USH 54.10	24-Jun-22	22-Jun-22
DTB Kenya	First & Final: KES 3.00	30-Jun-22	28-Jul-22
Nation Media Group	Final: KES 1.50	16-Jun-22	29-Jul-22
Jubilee Holdings	Final: KES 8.00	22-Jun-22	25-Jul-22
Jubilee Holdings	Special: KES 5.00	22-Jun-22	25-Jul-22
TotalEnergies	First & Final: KES 1.31	24-Jun-22	30-Jul-22
Crown Paints	First & Final: KES 4.00	28-Jun-22	15-Aug-22
Safaricom	Final: KES 0.75	STA*	STA*

(Source: NSE, DBIB Research)

STA—Subject to approval*

AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
KCB Group	10:00 a.m.	Virtual	03-Jun-22
NSE	11:00 a.m.	Virtual	03-Jun-22
Britam Holdings	10:00 a.m.	Virtual	08-Jun-22
Sameer	10:00 a.m.	Virtual	09-Jun-22
Limuru Tea	11:00 a.m.	Sarova Panafric Htl	10-Jun-22
Bamburi Cement	2:30 p.m.	Virtual	16-Jun-22
BK Group	3:00 p.m.	Virtual	17-Jun-22
Kenya Re	11:00 a.m.	Virtual	17-Jun-22
BOC Kenya	11:00 a.m.	Virtual	23-Jun-22
DTB Group	11:00 a.m.	Virtual	30-Jun-22

(Source: Company filings , DBIB Research)

Htl: Hotel

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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RESEARCH TEAM

Email: research@dyerandblair.com | Contact: +254 709 930 128