SIB Standard Investment Bank

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KENYA WEEKLY
MARKET WRAP

The market closed the week on a mixed note with the NASI advancing by 0.3% w/w. The N10, NSE 20, and NSE 25 eased by 0.9% w/w, 0.7% w/w, and 0.7% w/w, respectively.

EQUITY MARKET COMMENTARY

The market closed the week on a mixed note with the NASI advancing by 0.3% w/w. The N10, NSE 20, and NSE 25 eased by 0.9% w/w, 0.7% w/w, and 0.7% w/w, respectively.

Market activity rose to USD 29.4m (+5.9% w/w). Safaricom dominated market activity, accounting for 37.3% of the week's turnover. The counter's price function advanced by 2.8% w/w to KES 29.80.

Of the top traded banking stocks, KCB Group, Equity Group, and Co-op Bank dwindled by 1.2% w/w, 0.4% w/w, and 3.4% w/w to KES 64.25, KES 63.75, and KES 23.95, respectively.

Likewise, BAT retreated by 1.1% w/w to KES 445.00.

Uchumi was the week's top gainer, up 54.2% w/w to close at KES 0.74. Conversely, Crown Paints was the week's leading laggard, down 11.5% w/w to KES 51.75.

Foreign investors were profit-taking, with net outflows of USD 6.4m. Equity Group led the buying charge, while Safaricom led the selling charge. Foreign investor activity softened to 22.2% from 33.5% in the prior week.

Weekly Summary Tables

Indices

Equity Index	Index points	% w/w	% w/w preceding	MTD	QTD	YTD
NASI	187.91	0.3%	-2.4%	17.3%	6.3%	52.2%
N10	1930.20	-0.9%	-3.2%	22.3%	8.2%	48.2%
NSE 20	3157.06	-0.7%	-2.3%	23.4%	6.2%	57.0%
NSE 25	5016.64	-0.7%	-2.9%	21.3%	8.5%	47.4%

Top 5 Movers

Company	Price	% w/w	% YTD	Turnover (USD k)	Inflows (USD k)	Market-cap (USD m)
Safaricom	29.80	2.8%	74.8%	11,039.1	-5,328.1	9,238.5
KCB Group	64.25	-1.2%	54.4%	4,366.9	-20.8	1,597.6
Equity Group	63.75	-0.4%	32.0%	4,137.9	432.7	1,861.5
Co-op Bank	23.95	-3.4%	45.6%	1,778.4	0.6	1,087.3
BAT Kenya	445.00	-1.1%	18.4%	1,573.3	-1,285.9	344.3

Top 5 Gainers

Company	Price	% w/w	% YTD	Turnover (USD k)	Inflows (USD k)	Market-cap (USD m)
Uchumi Supermarket	0.74	54.2%	335.3%	11.7	0.0	2.1
E.A. Portland Cement	64.50	10.7%	110.8%	3.4	0.0	44.9
Absa New Gold ETF	5260.00	10.4%	65.4%	62.6	-19.4	16.3
Olympia Capital Holdings	7.74	7.5%	176.4%	3.5	0.0	2.4
Total Kenya	41.80	6.1%	109.0%	45.5	2.0	56.6

Top 5 Losers

Company	Price	% w/w	% YTD	Turnover (USD k)	Inflows (USD k)	Market-cap (USD m)
Crown Paints Kenya	51.75	-11.5%	57.3%	13.8	0.0	57.0
Umeme	6.22	-10.9%	-62.9%	29.6	-3.0	78.2
ABSA Bank Kenya	22.90	-8.4%	26.9%	168.7	-0.3	962.4
Nairobi Securities Exchange	18.65	-7.4%	210.8%	62.4	1.9	37.4
Longhorn Kenya	2.71	-5.9%	17.8%	1.6	0.0	5.7

Top 5 Foreign Net Inflows

Company	Price	% w/w	% YTD	Turnover (USD k)	Inflows (USD k)	Market-cap (USD m)
Equity Group	63.75	-0.4%	32.0%	4,137.9	432.7	1,861.5
KenGen	10.25	-1.4%	181.6%	567.3	123.9	523.0
Jubilee Holdings	325.00	-0.9%	87.3%	166.0	53.7	182.3
DTB	115.00	-0.9%	66.7%	468.4	11.0	248.8
Total Kenya	41.80	6.1%	109.0%	45.5	2.0	56.6

Top 5 Foreign Net Outflows

Company	Price	% w/w	% YTD	Turnover (USD k)	Outflows (USD k)	Market-cap (USD m)
Safaricom	29.80	2.8%	74.8%	11,039.1	-5,328.1	9,238.5
BAT Kenya	445.00	-1.1%	18.4%	1,573.3	-1,285.9	344.3
Stanbic	189.50	-2.6%	38.1%	336.0	-268.6	579.7
StanChart	298.75	-1.2%	6.8%	808.3	-85.7	873.5
Nation Media Group	13.25	1.9%	-8.0%	53.9	-32.4	19.5

Top 5 Gainers YTD

Company	Price	% w/w	% YTD	Turnover (USD k)	Inflows (USD k)	Market-cap (USD m)
Sameer Africa	14.15	2.2%	482.3%	3.2	0.0	30.5
Uchumi Supermarket	0.74	54.2%	335.3%	11.7	0.0	2.1
Nairobi Securities Exchange	18.65	-7.4%	210.8%	62.4	1.9	37.4
Home Afrika	1.09	-1.8%	194.6%	10.5	0.4	3.4
Kenya Power	14.05	0.0%	192.1%	341.5	0.1	212.2

Top 5 Losers YTD

Company	Price	% w/w	% YTD	Turnover (USD k)	Inflows (USD k)	Market-cap (USD m)
Umeme	6.22	-10.9%	-62.9%	29.6	-3.0	78.2
Williamson Tea Kenya	163.00	-1.7%	-28.0%	39.2	0.0	22.1
NBV	1.54	2.0%	-23.4%	1.2	0.0	16.1
Kapchorua Tea	213.00	5.7%	-9.4%	9.7	0.0	12.9
Nation Media Group	13.25	1.9%	-8.0%	53.9	-32.4	19.5

Source: NSE, Standard Investment Bank

COMPANY NEWS

Absa Group 3Q25 EPS rises by 14.7% y/y, supported by lower impairment provisions

Absa Bank Kenya Plc released Group 3Q25 results, reporting a 14.7% y/y growth in EPS to KES 3.11, with net income coming in at KES 16.9bn. The performance was characterised by a 4.6%y/y decline in net interest income (NII) to KES 32.9bn. In contrast, non-interest revenue (NIR) notched higher by 11.2%y/y to KES 13.6bn, despite muted FX trading income (-4.8%y/y). The top line was propped up by a 39.6 y/y slash in loan loss provisions to KES 4.9bn, with operating expenses (OPEX less impairments) contained at KES 17.5bn (-0.1%y/y).

Group interest income at KES 32.9bn (-4.6%y/y, -2.9%y/y in 1H25, -1.1% in 1Q25) was driven by a sustained double-digit slowdown in interest income on loans and advances to KES 32.6bn (-19.7%y/y), with interest on deposits and placements with other institutions easing to KES 1.3bn (-14.1%y/y). We note that the weighted average yields on loans contracted to c.14.0% from c.16.9% in 3Q24, which we portend is due to a decline in its internal benchmark rate, as it priced in CBR rate cuts over the period. Furthermore, Absa's loan book registered subdued performance in the period (-0.6%y/y to KES 309.7bn, a notably softer contraction compared to the last 4 quarters). We opine this performance was driven by increased preference for shorter-term lending products, tighter credit risk criteria, and a dynamic macro-economic environment. Conversely, interest income from government securities jumped 53.6%y/y to KES 10.1bn, attributable to a substantial growth in investment securities in the period (+69.5%y/y to KES 122.8bn) as Absa allocated part of its excess liquidity in government papers. Interest expenses propped up the top line, contracting by 21.9%y/y to KES 11.0bn, aided by a lower interest expense on customer deposits at KES 9.6bn (-28.5%y/y). We link this performance to cheaper deposits (cost of deposits improved to c.3.5% from c.5.1% in 3Q24), as expensive term deposits matured, coupled with lenders' focus on transactional deposits. Furthermore, other interest expenses contracted to KES 164.4m (-15.4%y/y) despite an increase in borrowed funds (+13.6%y/y to KES 4.1bn) and balances due to banking institutions within the Group (+22.6%y/y to KES 27.8bn). Interest expenses on deposits and placements with banking institutions, however, increased by 1.4x to KES 1.3bn. Overall, the Group's net interest margins (NIM) contracted to c.10.1% from c.10.7% in 3Q24.

Non-interest revenue (NIR) rose by 11.2% y/y to KES 13.6bn, reinforced by higher fees and commissions income (+16.3%y/y) and stronger other operating income performance (+36.5%y/y). In particular, other fees and commissions income leaped by 24.6% to KES 5.5bn, partly buoyed by the Group's payments business, coupled with growth in its bancassurance, asset management, custody, and securities revenue lines amid growing customer numbers. Conversely, fees and commissions income from loans and advances dipped by 15.8%y/y to KES 967.6m on the back of subdued credit demand in the period. Furthermore, income from forex activities slid to KES 4.5bn (-4.8%y/y, slower contraction compared to 1Q25; -28.3%y/y and 1H25; -14.0%y/y). Other operating income advanced by 36.5%y/y to KES 2.6bn, likely due to higher rental and sundry income. Operating expenses before impairments remained contained at KES 11.4bn (-0.1%y/y), largely anchored by relatively flat staff costs (-1.6%y/y) and a slight increase in other operating expenses (+2.7% y/y to KES 7.0bn). Additionally, depreciation costs edged lower to KES 648.1m (-23.3%y/y). Overall, Absa's cost-to-income metric eased slightly to 37.6% from 37.8% in 3Q24, operating profits before impairments remained flat at KES 29.1bn (-0.1%y/y).

Find the notice here.

KCB Group 3Q25 EPS notches higher by 3.4%y/y as FX income falls 40.1%y/y

KCB Group Plc released its 3Q25 results, posting a 3.4%y/y rise in EPS to KES 14.32. Group Net Interest Income (NII) for the period under review rose by 12.4%y/y to KES 104.3bn, with non-interest revenue (NIR) sliding to KES 45.1bn (-10.1%y/y) – translating to an operating income of KES 149.4bn (+4.5% y/y). Notably, loan loss provisions remained largely flat at KES 14.8bn (+2.7%y/y), as the Gross NPLs stock hit KES 222.1bn (+3.1%y/y; driven by Kenya and DRC business as the real estate, manufacturing, and trade sectors struggled). OPEX excluding provisions was contained at KES 69.1bn (+2.0%y/y), translating to attributable income of KES 46.0bn (+3.4%y/y). KCB Kenya, the Group's primary subsidiary, reported a PAT of KES 33.8bn (+6.4%y/y), partly attributable to subdued FX income (-43.5%y/y) and improved net interest income (+11.6%y/y) performance.

Group net interest income (NII) performance (+12.4%y/y to KES 104.3bn) was attributable to a double-digit decline in interest expenses (-17.6%y/y), coupled with a slight increase in interest income (+1.1% to KES 150.7bn). Interest income from loans and advances notched upwards to KES 70.6bn (+0.4%y/y), driven by a commendable growth in loan volumes compared to peers in the period (loan book at KES 1,139.9bn, +8.2%y/y). Markedly, weighted average loan yields came in at an estimated c.12.7% vs 13.2% in 3Q24 as the lender priced in CBR rate cuts in the period. Additionally, gross loans grew by c.14.0%y/y, excluding the impact of the sale of NBK. Interest income from government securities rose to KES 39.6bn (+4.6%y/y) despite a c.24.0%y/y escalation in total investment securities at KES 452.8bn, likely linked to the steady decline in bond yields in the period. Income from deposits and placements with banking institutions tapered by 7.3%y/y to KES 6.6bn, with deposits and balances due from other banks declining by 42.3%y/y to KES 192.5bn. On a positive note, interest expense narrowed to KES 46.3bn (-17.6%y/y), with interest expense on customer deposits contained at KES 36.5bn (-10.3y/y), on a flat customer deposit book (-0.8%y/y) following the 'strategic rebalancing' of its G2G oil supply business market share & impact of divestiture from NBK. Excluding the impact of the divestiture, deposits grew by 5.0%y/y. The weighted average cost of deposit rates eased to c.3.2% from c.3.4% in 3Q24 as interest rates in the industry fell. Group interest expense on deposits and placements with banking institutions contracted to KES 9.5bn (-37.8%y/y), likely due to comparatively lower interest rates in the period. Conversely, other interest expenses edged upwards by 12.8%y/y to KES 328.2m as borrowings picked up (+41.2%y/y to KES 82.3bn). As a result, KCB Group's net interest margin improved to c.7.0% vs c.6.5% in 3Q24.

Group non-interest income (NIR) declined to KES 45.1bn (-10.1%y/y), suppressed by a 40.1%y/y decline in foreign exchange trading income to KES 8.2bn, partly driven by lower volumes and tighter margins. Group total fees and commissions printed at KES 30.6bn (-1.5%y/y), with fees and commissions on loans and advances at KES 9.5bn (+5.5%y/y) and other fees and commissions at KES 21.1bn (-4.4%y/y), partly driven by TMB due to the closure of branches in Eastern DRC. Additionally, other operating income advanced to KES 6.2bn (+17.9%y/y), likely driven by bond trading. Operating expenses before impairments (OPEX) were muted at KES 69.1bn (+2.0%y/y), despite higher staff costs (+6.4%y/y to KES 31.9bn), variable costs, as well as investments for future growth. As a result, the Group's attributable income hit KES 46.0bn in the period (+3.4%y/y). PAT share from subsidiaries outside KCBK retreated by 12.0%y/y (KES 16.0bn), largely due to the NBK sale & hyperinflation impact in Burundi and South Sudan. However, its non-banking subsidiaries are tracking well, having delivered strong PBT performance in the quarter; KCB Bancassurance (+16.0% y/y to KES 833.0m), KCB Investment Bank (+90.0% y/y to KES 230.0m), and KCB Asset Management (+71.0% y/y to KES 118m).

Find the notice here.

NCBA Group 3Q25 EPS rises by 8.6%y/y, braced by lower interest expenses as credit demand slows

NCBA Group released its 3Q25 results, recording an 8.6%y/y rise in EPS to KES 9.94, with net income attributable to shareholders coming in at KES 16.4bn. The lender's performance was on the back of a commendable 42.3%y/y dip in interest expenses to KES 18.6bn, which partly offset the 11.8%y/y contraction in interest income to KES 50.7bn, culminating in a 27.4%y/y overall surge in net interest income (NII) to KES 32.0bn. Conversely, non-funded income (NFI) remained relatively flat at KES 21.4bn (-1.9%y/y), with foreign exchange trading income declining to KES 3.7bn (-27.2%y/y). In addition, the lender ramped up loan loss provisions by 24.5%y/y, squeezing the Group's profit before tax to KES 20.5bn (+11.2%y/y). NCBA Kenya, the lender's core subsidiary, reported a 6.8% y/y uptick in PAT to KES 13.6bn, with net interest income at KES 28.6bn (+32.3%y/y) and non-funded income at KES 14.7bn (-11.3%y/y). Overall, the Kenyan subsidiary remains the key driver of the Group's profit before tax (PBT) with 82.0% contribution, while the regional subsidiaries delivered KES 2.6bn PBT, a contribution of 12.5% to the Group.

The Group's Net Interest Income 27.4% y/y rise to KES 32.0bn was despite lower interest income (-11.8%y/y to KES 50.7bn). The decrease in interest income is partly attributable to lower interest rates in the period, worsened by subdued demand for credit. In particular, NCBA reported a 15.9%y/y reduction in income from loans and advances to KES 29.7bn (loan book contracted by 3.5%y/y to KES 292.7bn, with the yield on loans estimated at c.13.3% vs c.15.4% in 3Q24).

Moreover, income from deposits and placements with banking institutions and other interest income declined by 16.2%y/y to KES 2.3bn, likely attributable to lower interbank rates in the period and a 31.0%y/y cut in balances with other banks. The lender's total investment securities portfolio held steady at KES 222.4bn (+2.2%y/y), with interest income from government securities receding to KES 18.7bn (-3.7%y/y). Softer interest expenses armoured the top line, with expenses on customer deposits falling off by 42.8%y/y in 3Q25 (+55.7%y/y in 3Q24) to KES 17.3bn. We attribute the fall to lower deposit rates in the period, with the weighted average interest rate on customer deposits hitting c.4.6% from c.7.6% in 3Q24. Notably, the deposit book shrank by 5.3%y/y to KES 488.0bn, possibly driven by management's drive towards a more optimal & better-priced funding mix, as well as possible movement of deposits to the lender's asset management arm. Moreover, other interest expenses narrowed by 4.3%y/y to KES 678.6m, with borrowings declining to KES 7.6bn (-35.1%y/y). Interest expenses on deposits and placements from banking institutions shrank by 52.0%y/y to KES 665.8m, with deposits from other banks slashed to KES 3.3bn (-80.7%y/y). As a result, the Group's net interest margin recorded an improvement to c.7.6% from c.5.7% in 3Q24.

Non-interest revenue (NIR) performance (-1.9%y/y to KES 21.4bn) was largely attributable to a 27.2%y/y decline in FX trading income to KES 3.7bn on narrower spreads on the back of a stable shilling, in line with industry trends. Fees and commissions income improved marginally to KES 14.1bn (+2.5%y/y), which is partly attributable to lower other fees and commissions income (-3.0%y/y to KES 4.4bn). Additionally, fees and commissions on loans hit KES 9.7bn (+5.2%y/y), likely attributable to digital/short-term lending, with other income up 21.1%y/y to KES 3.6bn (probably resulting from higher income from subsidiaries and associate investments). In particular, management noted that its non-banking subsidiaries delivered a combined PBT growth of 48.0%y/y to reach KES 1.2bn (5.5% contribution to Group PBT). Overall, NIR as a percentage of total income narrowed to 42.0% from 46.5% in 3Q24. The Group's operating expenses (excluding loan loss provisions) climbed 14.0%y/y to KES 27.9bn on account of higher staff costs (+16.8%y/y to KES 12.0bn), coupled with a 12.3%y/y growth in other expenses, partly linked to the Group's expansion initiatives. The Group's cost-to-income ratio (CIR) – excluding provisions remained relatively flat at 52.2% (52.1% in 3Q24). Loan loss provisions rose to KES 5.1bn (+24.5%y/y), squeezing attributable income to KES 16.1bn (+8.6%y/y).

Find the notice here.

Stanbic Bank 3Q25 EPS declines by 7.5%y/y, squeezed by softer FX trading income

The primary subsidiary of Stanbic Holdings, Stanbic Bank Kenya, has released its 3Q25 results, marking a 7.5%y/y contraction in EPS to KES 23.74. Net interest income (NII) edged 8.0%y/y higher to KES 20.5bn while non-interest revenue fell by 24.5%y/y to KES 7.8bn as tight margins resulted in a fall in foreign exchange trading income (-49.2%y/y to KES 3.1bn). On a positive note, interest expenses plummeted by 41.4%y/y to KES 11.6bn, supported by lower interest expenses on customer deposits (-48.8%y/y to KES 8.5bn). Operating costs (excluding impairments) held steady at KES 13.0bn (+2.6%y/y), partly cushioned by a 4.1%y/y dip in other operating expenses. Additionally, loan loss provisions declined slightly to KES 2.5bn (-6.6%y/y), moderating the slide in the lender's PAT to KES 9.4bn (-7.5%y/y).

Net interest income (NII) climbed to KES 20.5bn (+8.0%y/y), supported by a 41.4%y/y fall in interest expenses to KES 11.6bn. In particular, interest income slowed to KES 32.1bn (-17.2%y/y), partly driven by lower income from loans and advances (-24.5%y/y to KES 20.3bn) and interest on deposits and placements with other banks (-38.7%y/y to KES 3.3bn). Markedly, the weighted average interest rate on loans thinned to c.11.2% from c.15.0% in 3Q24 as the bank priced in CBR rate cuts in the period. The lender's loan book jumped by 15.7%y/y to KES 253.1bn, which management attributed to drawdowns of significant mandates as well as G-2-G oil import-related transactions coming onto the balance sheet. Interest income from government securities leapt to KES 8.6bn (+29.9%y/y) as the bank allocated its excess liquidity in government securities - the total securities portfolio hit KES 100.4bn (+31.8%y/y). Notably, interest expenses moderated faster (-41.4%y/y) than interest income (-17.2%y/y), which helped to buoy net interest income. Interest expenses attributable to customer deposits nearly halved (-48.8%y/y to KES 8.5bn) as the lender repriced expensive deposits, while experiencing a 4.9%y/y expansion in customer deposits to KES 343.9bn. Our estimate for the average deposit interest rate softened considerably to c.3.4% vs c.6.7% in 3Q24. Interest expense on deposits due to banking institutions followed the same trajectory, sliding 48.9%y/y to KES 555.1m, despite deposits and advances due to other banks notching to KES 20.1bn (1.2%y/y). Other interest expenses rose at a slower rate (+19.7%y/y in 3Q24 vs 110.6%y/y in 3Q24) to KES 2.6bn, with borrowings advancing by 44.0%y/y to KES 18.9bn in the period.

Non-Interest Revenue (NIR) tapered to KES 7.8bn (-24.5%y/y), dragged down by the decline in foreign exchange income (-49.2%y/y) to KES 3.1bn on tight foreign currency margins on the back of a stable local unit. In particular, FX margins are estimated to have dropped by c.63.0%y/y, offsetting the c.34.0%y/y jump in volumes in the period. Management expects no further compression in the coming quarters. This was the key driver for PAT decline to KES 6.4bn (-7.5%y/y). Total fees and commissions income held steady at KES 3.6bn (+2.0%y/y). In particular, fees and commissions on loans and advances climbed 28.0%y/y to KES 96.2m, which may be attributable to the growth in its loan book, coupled with an uptick in short-term borrowing. Other fees and commissions were stable at KES 3.5bn (+1.4%y/y). Other income leapfrogged by 58.7%y/y to KES 1.1bn, likely buoyed by higher transaction-driven fees coupled with investment banking deals and brokerage fees. Overall, the lender's net interest margins (NIMs) improved to c.6.8% in 3Q25 from c.6.2% in 3Q24.

Find the notice here.

I&M Group 3Q25 EPS jumps 28.7%y/y, KES 1.50 interim dividend announced

I&M Group Plc posted its 3Q25 earnings, printing a double-digit rise in EPS to KES 7.14 (+28.7%y/y), with net income attributable to shareholders coming in at KES 11.8bn. The notable performance was driven by a 21.1%y/y growth in net interest income (NII) to KES 31.8bn, buttressed by lower interest expenses (-23.1%y/y to KES 17.5bn) compared to muted interest income returns (+0.6% to KES 49.3bn). Group non-interest revenues (NIR) advanced by 17.9%y/y to KES 11.2bn, despite a softer foreign exchange income performance (-13.6%y/y to KES 2.4bn). Furthermore, the Group's main subsidiary, I&M Bank Kenya, printed a Group profit before tax (PBT) growth of 24.4%y/y in 3Q25 to KES 13.3bn, supported by robust net interest income performance (+24.1%y/y to KES 25.3bn). Notably, the Group's subsidiaries contributed c.23.0% to the overall profit before tax, down from c.27.0% in 3Q24, likely due to base effects from Tanzania (+9.0%y/y from +240.0%y/y in 3Q24), Rwanda (+21.0%y/y vs +57.0%y/y in 3Q24), and Uganda (+78%y/y vs a contraction in 3Q24). On the back of the Group's robust performance, the Board has proposed an interim dividend of KES 1.50 (up 15.4%y/y from KES 1.30), with the book closure date slated for 15th December 2025.

Group net interest income (NII) climbed 21.1%y/y to KES 31.8bn, reinforced by a 23.1%y/y decline in interest expenses to KES 17.5bn. Interest income remained stable (+0.6%y/y to KES 49.3bn), weighed down by lower interest on loans and advances (-7.2%y/y to KES 32.4bn) and slimmer income from deposits and placements with banking institutions (-53.0%y/y to KES 1.8bn) as interbank rates eased. We portend that the lower interest income on loans and advances was driven by the lender pricing in CBR cuts into its loan pricing framework, given that the weighted average yield on loans inched lower to c.14.8%y/y from c.16.4% in 3Q24. Furthermore, the lender's loan book rose to KES 301.9bn (+7.3%y/y), primarily driven by growth in Rwanda and Tanzania. Earnings from government securities surged 47.6%y/y to KES 15.0bn, as the lender allocated its excess liquidity in investment securities (+34.4%y/y to c.KES 211.3bn). The decline in interest expenses assuaged pressure on net interest earnings, with customer deposit expenses declining 21.6%y/y to KES 14.7bn due to cheaper deposits (+10.2%y/y growth in deposits to KES 455.9bn driven by growth in both CASA and term deposits). Management is targeting low-cost deposits as the Group expands its branch presence. Interest expense on deposits and placements from banks and other interest expenses tapered by 31.8%y/y and 27.3%y/y to KES 1.8bn and KES 992.8m, respectively. Notably, the Group's borrowings declined 24.5%y/y to KES 10.5bn. Overall, I&M Group's NIM improved to c.8.1% from 7.3% in 3Q24.

Group non-interest revenue (NIR) rose to KES 11.2bn (+17.9%y/y), with other income expanding by 1.3x y/y to KES 2.0bn, mainly driven by income from diverse revenue streams (i.e., bancassurance, advisory services, wealth management services, etc.). Total fees and commissions income rose 15.7%y/y to KES 6.7bn, partly attributable to increased short-term lending, customer acquisition digital banking uptake, and wallet share optimization. In particular, fees and commissions on loans and advances hit KES 2.1bn (+8.8%y/y) on the back of a growing loan book, whereas other fees and commissions jumped to KES 4.7bn (+19.1%y/y). On the other hand, foreign exchange income softened by 13.6%y/y to KES 2.4bn on tighter margins and reduced currency volatility, in line with industry trends. Operating expenses (OPEX) before impairments were up 13.5%y/y to KES 19.1bn, partly driven by a 19.7%y/y rise in staff costs as well as a 13.8%y/y jump in other costs (partly driven by investments in digital platforms and branch expansion). Despite these increases, the Group Cost-to-Income ratio (CTI) stood at 44.5% in 3Q25, an improvement from 47.1% recorded in 3Q24. Notwithstanding higher loan loss provisions (+21.9%y/y to KES 6.7bn), I&M Group's attributable income came in at KES 11.8bn in 3Q25 (+28.7%y/y).

Find the notice here.

DTB Group 3Q25 EPS jumps 14.8%y/y, as lower interest expenses provide a tailwind

Diamond Trust Bank Kenya Ltd (DTB) announced the Group's 3Q25 results, posting a 14.8%y/y rise in EPS to KES 26.72, with net attributable income coming in at KES 7.5bn. The lender's performance was partly driven by a 14.6% y/y rise in net interest income (NII) to KES 25.1bn while non-interest revenue (NIR) slipped by 5.8%y/y to KES 9.1bn, resulting in a top line of KES 34.3bn (+10.5%y/y). Loan loss provisions inched higher to KES 5.7bn (up 7.6%y/y, with Gross NPLs edging upwards by 4.5%y/y to KES 40.9bn), resulting in a PBT at KES 11.2bn (+12.6%y/y). DTB Kenya, the Group's primary subsidiary, reported a robust double-digit growth in net income to KES 5.7bn (+26.1%y/y). In particular, net interest income surged by 31.8%y/y to KES 16.9bn, a laudable performance as interest expenses declined by 15.4%y/y to KES 14.8bn while interest income rose by 4.6%y/y to KES 31.8bn.

Group net interest income (NII) growth (+17.9%y/y) was lifted by a 14.6%y/y decline in interest expense to KES 19.8bn, compared to a stifled 0.9%y/y growth in interest income to KES 44.9bn. Interest income from loans and advances was reported at KES 24.8bn, up 3.2%y/y, despite growth in the lender's loan book (+7.8%y/y to KES 296.4bn). We opine this performance is partly attributable to lower loan yields as the lender priced in CBR rate cuts into its loan pricing framework. Interest earnings from deposits and placements with banking institutions jumped by 81.4% y/y to KES 2.1bn in 3Q25, despite a 26.2%y/y decline in total deposits due from other banks (markedly a large percentage of deposits due to banking institutions were placed abroad). Conversely, income from government securities contracted by 6.6% y/y to KES 18.1bn (likely due to lower asset yields), with overall investment securities edging upwards by 7.7%y/y to KES 197.4bn. Notably, the lender reported a mark-to-market gain of KES 5.9bn compared to a gain of KES 11.7bn in 3Q25 vs a loss of KES 1.2bn in 3Q24, likely linked to higher bond prices in the period. Interest expenses compression outpaced interest income growth, down 14.6%y/y, partly due to a 66.5%y/y dip in other interest expenses to KES 547.6m (mainly linked to borrowings, which plummeted by 92.0%y/y to KES 1.3bn). Additionally, interest expense on deposits due to banking institutions eased by 78.6%y/y to KES 671.1m. The Group's interest expense on customer deposits held steady at KES18.6bn (+0.8%y/y), despite strong deposit growth in the period (+15.5%y/y to KES 510.3bn partly driven by new customers, especially SMEs and retail, coupled with the deepening of its institutional banking proposition), which we link to cheaper deposits. The Group's cost of deposits is estimated at c.5.2% from c.5.5% in 3Q24 as interest rates eased over the period. Overall, the Group NIM improved to c.6.5% vs c.5.5% in 3Q24.

Group non-interest revenue (NIR) tapered by 5.8%y/y to KES 9.1bn, squeezed by a 40.4%y/y decline in FX trading income to KES 2.2bn, in line with industry trends. Total fees and commissions income advanced by 10.7%y/y to KES 4.9bn, with fees and commissions on loans and advances at KES 1.9bn (+18.4%y/y), possibly due to the Group's growing loan book as well as a probable increase in short-term facilities. Other fees and commissions rose by 6.4%y/y to KES 3.0bn, with other income at KES 2.0bn (+30.2%y/y). This points to rising customer numbers following ongoing branch expansion and digitisation initiatives, coupled with the growth of other revenue lines (i.e., bancassurance). Operating costs before impairments (OPEX) increased to KES 17.4bn (+10.1%y/y), pushed up by a 13.7%y/y rise in staff costs to KES 8.1bn, possibly on higher staffing as well as higher statutory deductions. In addition, other operating costs hit KES 7.5bn (9.6%y/y), which we opine is linked to branch expansion initiatives. Overall, attributable income printed at KES 7.5bn (+14.8%y/y), slightly squeezed by a 7.6%y/y uptick in loan loss provisions.

Find the notice here.

MARKET SUMMARY

	Price KES	Mkt Cap $mn	YTD %	52 Wk High	52 Wk Low	1m %	3m %	P/B	Div Yield	EPS	P/E	AVG Daily 3m USD*
AGRICULTURAL												
Eaagads	19.80	4.9	65.0	24.1	10.8	-3.6	1.3	0.5	0.0	0.4	53.5	532
Kakuzi	388.5	58.8	0.9	440.0	365.0	-8.6	2.0	1.4	5.7	-6.7	-57.8	1,594
Kapchorua	213.0	25.7	-9.4	424.3	198.0	-33.3	-35.0	1.6	0.0	23.2	9.2	5,469
Limuru	423.5	7.8	21.0	465.8	295.0	12.4	36.5	5.8	0.2	-6.3	-66.8	286
Sasini	18.3	32.2	22.0	20.4	13.3	0.8	7.6	0.2	0.0	-2.4	-7.6	3,667
Williamson	163.0	44.1	-28.0	350.0	158.0	-14.8	-33.0		6.1	-8.8	-18.6	21,554
		173.6									**-25.8**	
COMMERCIAL AND SERVICES												
Longhorn	2.7	5.7	17.8	3.5	2.1	-10.3	-8.1	40.8	0.0	-1.0	-2.8	311
NBV	1.5	16.1	-23.4	2.3	1.5	-4.9	-9.9	3.1	0.0	0.0	-476.9	1,619
Nation Media	13.3	19.5	-8.0	15.5	10.1	-1.9	-3.6	0.3	0.0	-1.5	-8.8	2,386
Standard Group	6.4	4.0	27.5	7.1	4.5	0.3	3.2	-0.2	0.0	-12.5	-0.5	208
TPS East Africa	15.7	34.2	5.0	18.7	13.0	-4.6	5.0	0.4	2.2	4.5	3.4	928
Uchumi	0.7	2.1	335.3	0.7	0.2	100.0	146.7	0.0	0.0	-0.5	-1.6	1,070
WPP Scangroup	2.8	9.3	12.5	4.0	1.8	1.5	-2.1	0.3	0.0	-1.2	-2.4	3,803
		90.8									**-85.6**	
TELECOMMUNICA-TIONS												
Safaricom	29.8	9,218.3	74.8	31.0	14.1	6.6	6.8	5.3	4.0	1.7	17.5	1,856,025
		9,218.3									**17.5**	
AUTOMOBILES & ACCESSORIES												
CarGen	59.3	36.7	160.4	63.0	19.5	11.3	83.2	0.8		6.5	9.2	3,224
Sameer	14.2	30.4	482.3	17.0	2.1	2.9	10.1	5.4	0.0	0.9	15.2	7,831
		67.1									**11.9**	
BANKING												
Absa Bank Kenya	22.9	960.3	26.9	26.3	14.6	2.2	15.1	1.5	7.6	3.8	6.0	131,502
Diamond Trust	115.0	248.3	66.7	118.0	52.0	10.8	30.7	0.3	6.1	27.3	4.2	92,893
Equity Bank	63.8	1,857.4	32.0	71.0	41.2	6.3	14.3	1.0	6.7	12.3	5.2	742,322
KCB Bank	64.3	1,594.1	60.7	72.5	33.6	11.3	23.8	0.9	4.7	18.7	3.4	1,078,122
HF Group	10.4	150.6	129.5	11.4	3.7	1.0	9.9	1.2	0.0	0.9	11.5	97,649
I&M Holdings	45.9	616.7	26.6	47.5	28.5	9.4	19.5	0.8	6.5	9.3	4.9	97,334
NCBA Bank	84.3	1,071.7	74.8	100.0	40.0	-7.7	35.9	1.3	6.5	13.3	6.3	100,753
Stanbic Holdings	189.5	578.4	38.1	202.5	125.0	-4.5	3.3	1.0	10.9	34.7	5.5	110,979
StanChart	298.8	871.6	6.8	347.5	235.0	4.6	-4.3	1.6	15.1	52.7	5.7	228,106
Co-op Bank	24.0	1,084.9	45.6	25.2	13.5	19.8	38.0	1.0	6.3	4.3	5.5	241,002
		9,033.9						**1.0**			**5.8**	

*Source: Bloomberg, Standard Investment Bank, *3m average traded volume*

MARKET SUMMARY

	Price KES	Mkt. Cap $mn	YTD %	52 Wk High	52 Wk Low	1m %	3m %	P/B	Div Yield	EPS	P/E	AVG Daily 3m USD*
INSURANCE												
Kenya Re	3.1	133.6	141.4	3.8	1.1	2.3	23.6	0.3	4.9	0.8	3.8	107,966
Britam	8.7	169.9	50.3	9.4	5.5	0.2	-1.6	0.7	0.0	2.0	4.4	31,782
CIC Insurance	4.6	102.0	134.8	5.7	1.8	1.8	3.1	1.2	0.0	0.9	4.9	21,409
Liberty Kenya Holdings	10.4	42.8	65.3	12.1	5.5	-5.0	-6.3	0.5	0.0	2.6	4.0	4,976
Jubilee Holdings	325.0	181.9	87.3	335.5	163.5	2.8	17.8	0.5	3.5	66.0	4.9	37,229
Sanlam Kenya	8.7	36.7	76.6	11.0	3.9	-3.5	6.6	0.1	0.0	145.7	0.1	2,065
		666.8						**0.6**			**4.2**	
INVESTMENT												
Centum	15.1	77.3	52.3	16.8	9.2	8.3	24.4	0.2	2.1	2.1	7.3	9,428
TransCentury	1.1	9.7	187.2	1.8	0.3	-7.4	-11.1	-0.1	0.0	0.5	2.1	n/a
		87.1									**4.7**	
INVESTMENT SERVICES												
NSE	18.7	37.4	210.8	21.3	5.5	27.3	29.5	2.5	1.7	0.5	41.4	22,710
		37.4									**41.4**	
MANUFACTURING & ALLIED												
BOC	125.5	18.9	41.4	150.0	76.0	-6.2	38.3	1.3	6.9	10.8	11.6	8,399
BAT Kenya	445.0	343.6	18.4	455.0	345.0	3.4	1.1	2.8	11.2	44.8	9.9	100,338
Carbacid	30.9	60.8	47.5	32.2	16.3	16.6	35.8	1.5	0.0	3.9	7.8	10,705
EABL	234.0	1,428.7	33.3	250.0	162.3	8.8	8.2	4.4	4.7	12.0	19.5	277,108
Eveready	1.3	2.1	11.3	1.6	0.8	-3.0	10.3	-3.0	0.0	-0.2	-6.1	723
Unga Group	24.0	14.0	60.0	28.3	14.4	2.6	20.0	0.4	0.0	-5.9	-4.0	1,522
Flame Tree Group	1.6	2.3	64.0	2.3	0.9	16.3	7.9	0.2	0.0	1.1	1.5	1,930
		1,870.3									**17.1**	
CONSTRUCTION & ALLIED												
Bamburi	54.0	150.9	-1.8	84.0	47.0	0.0	-4.4	0.8	0.0	-2.8	-19.4	n/a
Crown Berger	51.8	56.9	57.3	62.0	29.0	-4.2	16.3	2.0	0.0	3.8	13.5	865
EA Cables	1.7	3.3	58.3	3.3	0.8	-14.9	-19.7	-170.0	0.0	-1.0	-1.7	n/a
EA Portland	64.5	44.8	110.8	66.0	24.5	10.7	4.0	0.3	0.0	11.8	5.5	1,093
		256.0									**-0.5**	
ENERGY & PETROLEUM												
KenGen	10.3	521.9	181.6	10.8	3.3	11.4	36.3	0.2	2.0	1.6	6.4	193,846
Kenya Power	14.1	211.7	192.1	15.8	3.1	2.6	24.9	0.3	0.0	12.5	1.1	175,033
TotalEnergies Kenya	41.8	56.5	109.0	47.0	19.3	23.9	35.7	0.2	4.6	2.4	17.7	10,437
Umeme	6.2	97.4	-62.9	24.8	5.8	-22.3	-33.1	0.0	27.8	2.4	2.6	26,480
		887.5									**5.5**	
Market ratios									**6.44**		**6.95**	

*Source: Bloomberg, Standard Investment Bank, *3m average traded volume*

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