24TH AUGUST 2026

KENYA WEEKLY MARKET WRAP

The market closed the week on a bullish note, with the NASI, N10, NSE 20, and NSE 25 rising by 2.8% w/w, 3.2% w/w, 2.4% w/w, and 3.0% w/w, respectively.

EQUITY MARKET COMMENTARY

The market closed the week on a bullish note, with the NASI, N10, NSE 20, and NSE 25 rising by 2.8% w/w, 3.2% w/w, 2.4% w/w, and 3.0% w/w, respectively.

Market activity jumped to USD 95.9m (+218.4% w/w). Absa dominated market activity, accounting for 53.3% of the week's turnover. The counter's price function strengthened by 3.7% w/w to KES 32.25. Notably, Absa Group completed a block trade on 18th August 2026 of 188,772,684 shares following the settlement of Absa Group's Tender offer for an additional stake in Absa Kenya. Find the tender offer results here.

KCB Group and Equity Group advanced by 7.2% w/w and 4.5% w/w, to achieve parity at KES 93.50. In addition, Safaricom and EABL edged higher by 2.7% w/w and 1.4% w/w to KES 36.35 and KES 277.00, respectively.

Car and General surged by 42.8% w/w to KES 374.25, closing the week as the top gainer. Conversely, Flame Tree slid by 7.0% w/w to KES 2.13, emerging as the leading laggard.

Foreign investors were net sellers, with net outflows of USD 12.4m. Co-op Bank led the buying charge, while EABL led the selling charge. Foreign investor activity contracted to 14.8% from 23.9% in the prior week.

Expected in the week:I&M Group 1H26 results release – 27th August 2026 | BAT 1H26 KES 10.00 interim dividend book closure, and NCBA 1H26 KES 3.75 interim dividend book closure – 28 th August 2026

Weekly Summary Tables

Indices

Equity Index	Index points	% w/w	% w/w preceding	MTD	QTD	YTD
NASI	244.69	2.8%	1.3%	9.2%	9.2%	31.1%
N10	2670.91	3.2%	2.3%	10.8%	10.8%	35.9%
NSE 20	4234.11	2.4%	0.6%	12.7%	12.7%	34.9%
NSE 25	6837.07	3.0%	1.5%	10.1%	10.1%	34.1%

Top 5 Movers

Company	Price	% w/w	% YTD	Turnover (USD k)	Inflows (USD k)	Market-cap (USD m)
ABSA Bank Kenya	35.25	3.7%	42.7%	51,199.7	-2.3	1,478.8
Safaricom	36.35	2.7%	28.2%	9,465.8	-2,947.9	11,248.8
Equity Group	93.50	4.5%	40.1%	7,206.0	-1,834.0	2,725.3
KCB Group	93.50	7.2%	42.2%	6,492.0	-596.2	2,320.7
EABL	277.00	1.4%	5.3%	4,474.6	-4,187.2	1,691.9

Top 5 Gainers

Company	Price	% w/w	% YTD	Turnover (USD k)	Inflows (USD k)	Market-cap (USD m)
Car & General (K)	374.25	42.8%	633.8%	615.5	1.2	231.8
Carbacid	48.25	24.7%	64.4%	343.1	-190.2	95.0
Shri Krishana Overseas	17.45	24.6%	113.8%	15.5	0.0	6.8
I&M Holdings	79.00	13.3%	86.1%	442.8	-50.0	1061.8
DTB	173.25	12.5%	51.3%	2793.4	-567.3	374.1

Top 5 Losers

Company	Price	% w/w	% YTD	Turnover (USD k)	Inflows (USD k)	Market-cap (USD m)
Flame Tree Group	2.13	-7.0%	35.7%	8.6	0.0	2.9
Co-op Bank	36.35	-5.1%	51.8%	2,867.5	24.3	1,647.3
Uchumi Supermarket	1.50	-3.8%	45.6%	19.3	-0.3	4.2
Nation Media Group	13.15	-3.3%	13.9%	23.4	-1.3	19.3
Express Kenya	7.04	-3.0%	-4.9%	0.7	0.0	2.6

Top 5 Foreign Net Inflows

Company	Price	% w/w	% YTD	Turnover (USD k)	Inflows (USD k)	Market-cap (USD m)
Co-op Bank	36.35	-5.1%	51.8%	2,867.5	24.3	1,647.3
Crown Paints Kenya	63.00	2.4%	15.6%	24.4	11.1	69.3
NCBA Bank	90.50	-1.1%	7.7%	898.6	9.8	1,151.6
Williamson Tea Kenya	156.50	0.0%	4.7%	75.4	8.4	42.3
Kapchorua Tea	338.25	-0.8%	46.1%	25.6	8.4	40.9

Top 5 Foreign Net Outflows

Company	Price	% w/w	% YTD	Turnover (USD k)	Inflows (USD k)	Market-cap (USD m)
EABL	277.00	1.4%	5.3%	4,474.6	-4,187.2	1,691.9
Safaricom	36.35	2.7%	28.2%	9,465.8	-2,947.9	11,248.8
Equity Group	93.50	4.5%	40.1%	7,206.0	-1,834.0	2,725.3
BAT Kenya	565.00	7.8%	23.1%	2,445.6	-800.2	436.4
Stanbic	275.00	-1.3%	39.1%	843.0	-717.7	839.7

Top 5 Gainers YTD

Company	Price	% w/w	% YTD	Turnover (USD k)	Inflows (USD k)	Market-cap (USD m)
Car & General (K)	374.25	42.8%	633.8%	615.5	1.2	231.8
Shri Krishana Overseas	17.45	24.6%	113.8%	15.5	0.0	6.8
Britam	18.20	2.8%	100.0%	164.5	-35.9	354.7
Africa Mega Agricorp	140.00	11.8%	98.6%	2.3	0.0	13.9
I&M Holdings	79.00	13.3%	86.1%	442.8	-50.0	1,061.8

Top 5 Losers YTD

Company	Price	% w/w	% YTD	Turnover (USD k)	Inflows (USD k)	Market-cap (USD m)
Eveready East Africa	1.02	0.0%	-25.5%	14.0	-0.8	1.7
WPP Scangroup	2.11	-0.5%	-17.3%	6.8	-4.4	7.0
Umeme	6.66	-1.2%	-14.8%	23.5	1.0	83.5
Home Afrika	1.15	1.8%	-14.2%	19.7	0.0	3.6
Kurwitu Ventures	1355.00	0.0%	-9.7%	0.3	0.0	1.1

Source: NSE, Standard Investment Bank

ECONOMIC NEWS

Sip-onomics: Can Soda Sales Signal Kenya's Expanding Middle Class?

"People take sodas when there is a little more in their pocket."

- Hon. John Mbadi, Cabinet Secretary for the National Treasury and Economic Planning

Treasury Cabinet Secretary John Mbadi recently argued that the current administration deserves credit for Kenya's economic stabilization following an extended period of macroeconomic hardship. To support this claim, CS Mbadi highlighted rising soft drink consumption as an informal yet tangible proxy for growing household disposable income and broader economic recovery.

Given the widespread public discourse and controversy generated by this assertion, this report looks at Kenya's soft drinks sector and evaluates the claim in the public interest.

It is possible the Treasury CS was attempting a local parallel to Senator Robert F. Kennedy's classic critique of macroeconomic aggregate indicators - seeking an everyday metric to bridge the disconnect between official GDP growth rates and the actual financial sentiment of ordinary citizens.

Is a popping soda cap a genuine proxy for an expanding middle class, or simply the result of aggressive price cuts, smaller packaging, and massive supply chain expansion by global giants and local bottlers? Our report dives into "Sip-onomics"—examining local soft drink production trends and shifting market dynamics to determine whether soft drink consumption truly reflects economic prosperity or merely a clever political spin. Find our detailed report, **here**.

COMPANY NEWS

Absa Group 1H26 EPS contracts by 9.8% y/y; interim div up 150% to KES 0.50

Absa Bank Kenya Plc released its 1H26 results, reporting a 9.8% y/y decline in EPS to KES 1.94, with net income coming in at KES 10.5bn. The performance was characterised by a 5.4% y/y decline in net interest income (NII) to KES 21.1bn, with non-interest revenue (NIR) contracting by 10.2% y/y to KES 8.2bn. In particular, foreign exchange trading income slackened by 28.1% y/y to KES 2.3bn, as other operating income thinned by 24.9% y/y to KES 1.3bn. The slide in profit before tax was partly braced by a single-digit rise in operating costs excluding impairments (+c.5.7% y/y) and lower loan loss impairments (-c.4.1% y/y), to come in at KES 14.2bn (-c.15.8% y/y). The Group's Board of Directors has recommended an interim dividend of KES 0.50 per share (+150.0% y/y), with the book closure slated for 18th September 2026.

Group interest income at KES 21.1bn (-5.4% y/y) was partly attributable to a sustained slowdown in interest income on loans and advances to KES 20.3bn (-9.1% y/y). We note that the weighted average yields on loans contracted to an estimated 12.6% vs c.14.1% in 1H25, which we link to the decline in its internal benchmark rate, as it priced in successive CBR rate cuts over the period. Notably, Absa's loan book rose to KES 329.9bn (+8.2% y/y, +8.6% q/q), as it expanded disbursements to its priority sectors. Interest on government securities waned by c.9.2% y/y to KES 6.0bn, partly driven by lower government bond yields (investment in government securities remained largely flat at KES 120.5bn; +1.5% y/y). On the other hand, interest income on deposits and placements due from banking institutions rose by c.13.4% y/y to KES 1.0bn. The decline in interest expenses helped contain the slide in net interest income, contracting by c.17.7% y/y to KES 6.2bn, aided by a lower interest expense on customer deposits at KES 5.3bn (-c.19.8% y/y). We link this performance to cheaper deposits (cost of deposits improved to c.2.8% from 3.7% in 1H25) as the lender optimized its deposit structure (customer deposits inched higher by c.5.4% y/y to KES 380.7bn). Other interest expenses advanced to KES 121.0m (+7.1%y/y), despite borrowed funds and balances due to Group falling to KES 2.7bn (-36.4% y/y) and KES 26.2bn (-22.2% y/y), respectively. Interest expenses on deposits and placements with banking institutions narrowed to KES 766.1m (-c.3.2% y/y), while deposits due to banks jumped by 35.8% y/y to KES 24.9bn. Consequently, the Group's net interest margin (NIM) thinned to c.9.2% from c.10.1% in 1H25, according to our estimates.

Non-interest revenue (NIR) fell by 10.2% y/y to KES 8.2bn, compressed by lower foreign exchange trading income (-28.1% y/y) and weaker other operating income performance (-24.9%y/y). We suspect part of the decline is linked to recent directives by the Insurance Regulatory Authority concerning commissions charged on bancassurance products as well as tighter FX trading margins. Markedly, when FX trading income is excluded, the Group's non-funded income rose by 9% y/y to KES 5.3bn. In addition, Absa's New Business income (which includes non-banking subsidiaries) jumped 20% y/y to KES 2.9bn. Total fees and commissions income advanced by c.9.4% to KES 4.6bn. In particular, other fees and commissions income rose by 8.1% y/y to KES 3.9bn, with fees and commissions income from loans and advances printing at KES 697.7m (+c.17.1% y/y) on the back of improved credit demand in the period. Operating expenses excluding impairments were at KES 12.1bn (+c.5.7% y/y), largely anchored by a decrease in other operating expenses (-9.2% y/y to KES 4.1bn) and depreciation costs (-c.31.5% y/y to KES 406.7m). Staff and director costs increased by c.19.5% y/y to KES 7.6bn (Absa disclosed that it incurred a one-off voluntary exit cost earlier in the year). Overall, Absa's cost-to-income metric deteriorated to 41.2% from 36.4% in 1H25, with operating profits before impairments sliding to KES 17.2bn (-c.13.9% y/y).

Find the detailed note **here**.

Equity Group 1H26 EPS rises by 31.5% y/y; asset quality recovers as NPL ratio eases to 9.5%

Equity Group Plc reported an attributable income of KES 43.8bn in 1H26 (inclusive of minority interest; EPS up 31.5% y/y to KES 11.61), with regional subsidiaries contributing c.49.3% of profit before tax. Equity Bank Kenya, the main subsidiary of Equity Group, reported a 31.7% y/y leap in profit after tax to KES 25.7bn, with total operating expenses, including loan loss provision, coming in at KES 31.8bn (+12.9% y/y). The subsidiary's net interest income (NII) rose by 22.8% y/y to KES 40.2bn, as interest expenses contracted at a faster pace (-24.3% y/y) compared to a slower rise in interest income (+5.7% y/y). The Group's profitability was further supported by lower loan loss provisions (-6.1% y/y to KES 6.5bn) as asset quality improved over the period (Group NPL ratio improved to 9.5% vs 13.7% in 1H25).

The Group's Net Interest Income (NII) rose to KES 69.3bn (+16.8% y/y), buoyed by a notable decline in interest expense (-12.2% y/y), as interest income advanced by 8.2% y/y. In particular, interest income from loans and advances edged higher by 9.7% y/y to KES 54.5bn, with the lender reporting slightly lower loan yields (reported at c.12.1% vs c.12.3% in 1H25; Equity BCDC at 9.4% vs 10.0% in 1H25; Equity Kenya at 13.9% vs 13.1% in 1H25). Notably, the Group's loan book expanded by 18.9% y/y to KES 981.0bn, partly supported by Equity BCDC's book leaping by c.30.5% y/y in 1H26 to KES 359.3bn. Interest from government securities printed at KES 33.2bn (+7.7% y/y; yields on government securities softened to 10.8% vs 11.6% in 1H25), as the lender parked part of its liquidity in government securities (investment securities up by 18.9% y/y to KES 643.2bn). Interest from placements and other interest income eased by 6.9% y/y to KES 3.5bn, with deposits due from banking institutions coming in at KES 303.5bn (+45.7% y/y). In line with industry trends, interest expenses (-12.2% y/y) fell faster than interest income (+8.2% y/y), with interest expenses on customer deposits slashed by 19.7% y/y to KES 16.3bn, with the cost of deposits moderating to c.2.2% vs c.3.1% in 1H25 as Equity managed its cost of funding. Markedly, Equity Group's customer deposits jumped by c.21.3% y/y to KES 1,589.4bn. Conversely, interest expenses on deposits and placements from banking institutions increased by 69.0% y/y to KES 1.2bn. In addition, other interest expenses swelled by 11.8% y/y to KES 4.5bn, as borrowings came in at KES 55.6bn (-17.7% y/y). Non-interest revenue (NIR) braced the top line, notching higher to KES 55.6bn (+35.9% y/y), buoyed by a laudable 40.4% y/y increase in foreign exchange trading income to KES 7.3bn (Equity Kenya printed a c.30.0% y/y upsurge in FX trading income). Total fees and commissions income broadened to KES 36.1bn (+29.7% y/y), with fees and commissions income on loans & advances and other fees and commissions income up by 19.3% y/y and 32.2% y/y, respectively. Other operating income was reported at KES 12.2bn (+55.1% y/y vs a contraction of 14.6% y/y in 1H25). Management attributed the growth in non-funded income to higher digital transaction volumes, fees from mobile banking, and insurance premiums, additionally stressing that its digital ecosystems are now a core revenue driver. Overall, the Group's Net Interest Margin (NIM) thinned to 8.1% vs 8.3% as reported by management.

OPEX before impairments rose to KES 60.7bn (17.2% y/y), largely due to higher staff expenses, including directors' emoluments (+35.4% y/y to KES 24.1bn, possibly linked to salary increases, contribution to ESOP, staff training, etc.) and depreciation & amortisation costs (+11.4% y/y to KES 5.0bn). Other operating expenses, including rental charges, were printed at KES 31.5bn (+7.0% y/y). Consequently, the Group's cost-to-income metric, excluding provisions, improved to 48.6% from 51.7% in 1H25. Regional subsidiaries experienced a c.27% uptick in profit after tax in 1H26 to KES 18.6bn, with Equity BCDC (+30% y/y), Equity Tanzania (+82% y/y), Equity South Sudan (+200% y/y), and Equity Rwanda (+12% y/y) posting double-digit growth in net earnings. Resultantly, the Group's net attributable income came in at KES 43.8bn (+31.5% y/y).

Find the detailed note **here**.

StanChart 1H26; Tighter yields lead EPS to contract by 16.8%y/y

Standard Chartered Bank Kenya released its 1H26 earnings, posting a 16.8% y/y fall in EPS to KES 17.80, as the lender's topline faced sustained pressure from thinner margins. The performance was partly attributable to a 19.8% y/y contraction in net interest income (NII) to KES 12.3bn, as interest income (-c.17.5% y/y) tapered at a faster pace compared to a muted increase in interest expenses (+c.0.7% y/y). Overall, StanChart's operating income thinned to KES 20.1bn (-8.8%y/y), as non-interest income edged higher by 15.9% y/y to KES 7.9bn. Operating costs excluding provisions were contained at KES 10.0bn (+c.0.4% y/y), with loan loss provisions plummeting to KES 507.7m (-56.9% y/y) on improved asset quality, partially cushioning the lender's profit before tax at KES 9.6bn (-12.1% y/y). The lender's Board of Directors has recommended an interim dividend of KES 8.50 (up 6.5% y/y), with the book closure slated for 10th September 2026.

StanChart's net interest income (NII) tapered to KES 12.3bn (-19.8% y/y), with interest income slowing to KES 14.2bn (-17.5% y/y). This performance was partly linked to a c.14.4% y/y decline in interest income from loans and advances, reported at KES 8.1bn, largely attributable to margin compression despite a jump in lending (loan book up by c.11.1% y/y to KES 169.2bn). In particular, StanChart's weighted average interest rate on loans and advances is estimated to have weakened to c.10.1% vs c.12.5% in 1H25, as the bank priced in consecutive CBR rate cuts during the year. Interest income from government securities fell to KES 3.9bn (-34.9% y/y), likely due to lower government bond yields over the period coupled with a decline in investment securities (-20.1% y/y to KES 86.9bn). Conversely, interest from balances due from banking institutions rose by 24.6% y/y to KES 2.2bn, as deposits and balances due from banking institutions leaped to KES 16.5bn (+28.6x y/y). Interest expenses remained largely contained (+0.7% y/y), supported by a 4.5%y/y downturn in interest on customer deposits to KES 1.7bn, as the bank hinges on low-cost deposits (customer deposits ticked up by 6.4% y/y to KES 309.1bn, largely propelled by higher corporate deposits). On the other hand, interest expenses on balances due to banking institutions swelled by 95.7%y/y to KES 204.3m, while other interest expenses contracted by c.-17.7% y/y to KES 31.9m. Consequently, StanChart's net interest margin tightened to c.7.1% in 1H26 vs c.9.0% in 1H25, as per our estimates.

Non-interest revenue (NIR) accreted by 15.9%y/y to KES 7.9bn, partly lifted by strong total fee and commissions income. In particular, other fees and commissions increased by c.25.6% y/y to KES 4.0bn, which we opine is partly due to growth in fees related to Transaction Services, Global Markets, and Global Banking as well as Wealth Solutions business lines. On the contrary, fees and commissions on loans and advances declined by 35.8% y/y to KES 86.8m, which we suspect may be due to the implementation of the risk-based pricing formula and the bank's fee-calculation considerations. Foreign exchange trading income advanced by 16.4% y/y to KES 2.3bn (after approximately 5 consecutive quarters of contraction), as higher volumes likely offset the impact of reduced volatility and tighter margins in the FX market. On the other hand, other operating income declined by 1.5%y/y to KES 1.4bn. Overall, NIR as a percentage of total income improved to 39.0% from c.30.7% in 1H25. Operating expenses before impairments (OPEX) were contained at KES 10.1bn (+c.0.4%), with staff and director costs rising by 9.1% y/y to KES 4.9bn and other operating costs tapering by 7.6% y/y to KES 4.4bn. Loan loss provisions came in at KES 507.7m (-56.9%y/y), thereby improving StanChart's cost of risk metric to c.0.6% (c.1.6% in 1H25). Consequently, profit after tax for the lender narrowed to KES 6.7bn in the period (-16.8y/y).

Find the detailed results note **here**.

Family Bank Group 1H26 EPS leaps by 27.0% y/y, lifted by strong interest income growth

Family Bank released its 1H26 earnings, with management reporting a double-digit jump in EPS to KES 2.23 (+27.0% y/y, PAT +61.8% to KES 3.7bn). The performance was driven by a 40.7% y/y growth in net interest income (NII) to KES 9.8bn, propelled by strong interest income returns (+25.9% y/y to KES 14.3bn), while interest expenses remained largely flat (+2.6% y/y to KES 4.6bn). On the other hand, non-interest revenues (NIR) contracted by 14.2% y/y to KES 2.3bn, as other income contracted to KES 777.7m (-33.4% y/y). The Group's primary subsidiary (the banking arm) printed a profit after tax (PAT) growth of 46.6% y/y in 1H26 to KES 3.7bn, supported by robust net interest income performance (+41.2%y/y to KES 9.8bn). Notably, non-interest income tapered by 22.8% y/y to KES 2.2bn (other income slid by 43.8% y/y to KES 543.9m).

Group net interest income (NII) soared by 40.7% y/y to KES 9.8bn, supported by a 25.9% y/y uptick in interest income to KES 14.3bn. Drilling into the numbers, interest income from loans and advances rose by 9.8% y/y to KES 8.6bn, supported by higher lending volumes (loan book expanded by c.10.1% y/y to KES 111.1bn). The Group's weighted average yields on loans and advances remained stable at c.16.2% over the period, according to our estimates. Interest income from government securities jumped by 61.8%y/y to KES 5.5bn. In particular, Family Bank increased its exposure to investment securities to KES 94.1bn (+55.3% y/y) as it parked excess liquidity. Interest income from deposits and placements from banking institutions rose to KES 270.9m (+40.8% y/y), as deposits and placements from banking institutions hit KES 4.6bn (+198.2% y/y). The single-digit increase in interest expenses (+2.6% y/y) reinforced robust net interest earnings growth; on lower interest expense on deposits and placements (-23.9% y/y to KES 115.5m) and muted interest expenses on customer deposits (-c.1.9% y/y to KES 3.8bn). On a positive note, the weighted average rate on customer deposits improved to c.4.6% vs c.5.8% in 1H25, despite strong deposit growth (+c.20.3% y/y to KES 180.2bn) as interest rates eased during the period. Conversely, other interest expenses ticked higher by 54.7% y/y to KES 635.3m, possibly linked to a c.13.8% y/y upturn in borrowings to KES 10.8bn and on higher activity. Notably, Family Bank received c.KES 1.3bn for impact financing from its strategic DFI partners for onward lending. Overall, the Group's net interest margin (NIM) improved to c.9.3% from c.8.2% in 1H25, as reported by management.

Group non-interest revenue (NIR) contracted to KES 2.3bn (-14.2% y/y), with total fees and commissions income relatively muted at KES 1.3bn (+0.4% y/y). In particular, fees and commissions on loans and advances softened by 6.9% y/y to KES 68.2m, despite increased lending in the period (likely linked to the loan pricing methodology). Other fees and commissions hit KES 1.2bn (+0.9% y/y), which management noted is due to its financial inclusion agenda; Family Bank does not charge ledger fees to various accounts. Other income tapered to KES 777.7m (-33.4% y/y), which was attributed to a drop in dividends paid by one of the Group's subsidiaries to conserve cash to support expansion of the subsidiary. Markedly, the Group's bancassurance arm recorded subdued performance in its profit before tax (c.-1.0% y/y). Foreign exchange income notched upwards by 1.2% y/y to KES 209.4m. Operating expenses (OPEX) before impairments came in at KES 6.4bn (+6.3% y/y), partly driven by a 37.2% y/y rise in staff and director costs to KES 3.2bn, while other operating costs thinned to KES 2.9bn (-15.3% y/y). Overall, the Group Cost-to-Income ratio (CTI), excluding provisions, stood at c.53.1% in 1H26, a notable improvement from c.62.7% in 1H25. Notwithstanding higher loan loss provisions (+c.50.4% y/y to KES 998.3m), the Group's net income came in at KES 3.7bn in 1H26 (+61.8% y/y).

Find the detailed results note **here**.

DTB Group 1H26 EPS surges by 34.1% y/y despite a 36.5% y/y ramp-up in impairment provisions

Diamond Trust Bank Kenya Ltd (DTB) announced the Group's 1H26 results, posting a laudable 34.1% y/y rise in EPS to KES 22.86, with net attributable income coming in at KES 6.4bn. The Group's performance was partly attributable to a 26.4% y/y rise in net interest income (NII) to KES 20.0bn, while non-interest revenue (NIR) notched higher by 6.6% y/y to KES 6.5bn, resulting in a top line of KES 26.5bn (+20.9% y/y). Loan loss provisions soared to KES 4.4bn (up 36.5% y/y, with Gross NPLs edging upwards by 6.0% y/y to KES 43.1bn), resulting in a PBT of KES 9.8bn (+37.9% y/y). DTB Kenya, the Group's primary subsidiary, reported a robust double-digit growth in net income to KES 4.5bn (+26.1% y/y). In particular, net interest income leapt by 34.7% y/y to KES 14.1bn, a noteworthy performance as interest expenses declined by 13.5% y/y to KES 8.8bn while interest income rose by 10.9% y/y to KES 22.9bn.

Group net interest income (NII) (+24.1% y/y) was reinforced by a 9.5% y/y decline in interest expense to KES 12.2bn, whereas interest income edged higher to KES 32.3bn (+9.9% y/y). In particular, interest income from loans and advances was reported at KES 18.2bn, up 12.7% y/y, as the lender's loan book swelled to KES 327.9bn (+13.7% y/y). The uptick in loan volumes was partly buoyed by momentum in its retail & business banking book. Overall, DTB's weighted average yields on loans and advances remained largely unchanged during the period (c.11.8% vs c.11.6% in 1H25), according to our estimates. Interest earnings from deposits and placements with banking institutions leapfrogged by 77.2% y/y to KES 2.2bn in 1H26, with total deposits due from other banks rising to KES 52.2bn (+25.1% y/y). Conversely, income from government securities contracted by 0.7% y/y to KES 11.9bn, while overall investment securities expanded by c.12.4% y/y to KES 207.0bn. Interest expense softened to KES 12.2bn (-9.5% y/y), partly attributable to an 8.0% y/y dip in interest expense on customer deposits to KES 11.6bn. Markedly, the Group cost of deposits improved to c.4.6% from c.5.5% in 1H25, as the Group increased its focus on smaller, stickier deposits. Customer deposits rose by 10.6% y/y to KES 534.1bn, with management pointing to strong gains from new-to-bank customers and continued focus on ecosystem banking. In addition, other interest expenses declined to KES 278.8m (mainly linked to borrowings, which plummeted by 86.2% y/y to KES 345.9m). Furthermore, interest expense on deposits due to banking institutions eased by 36.5% y/y to KES 331.4m. Overall, the Group NIM is reported to have improved to c.6.8% vs c.6.6% in 1H25.

Group non-interest revenue (NIR) rose by 6.6% y/y to KES 6.5bn, partly lifted by higher other operating income (+27.0% y/y to KES 1.9bn). In addition, total fees and commissions income climbed by 2.8% y/y to KES 3.2bn, with fees and commissions on loans and advances advancing to KES 1.3bn (+14.9% y/y) on higher lending volumes. On the other hand, other fees and commissions declined to KES 1.8bn (-4.5% y/y), possibly partly due to the impact of the sale of its Burundi subsidiary. FX trading income contracted by 5.2% y/y to KES 1.4bn (-5.2% y/y), likely due to thin FX margins, reduced FX volatility and a slowdown in trade business. Operating costs before impairments (OPEX) were largely contained at KES 12.2bn (+5.9% y/y), with staff costs (including director costs) rising by 9.2% y/y. Furthermore, other operating costs inched upwards by 2.9% y/y to KES 5.0bn. Overall, attributable income printed at KES 6.4bn (+34.1% y/y), despite a 36.5 y/y surge in loan loss provisions to KES 4.4bn. Indeed, net operating income before provisions rose sharply to KES 9.8bn (+37.9% y/y) in 1H26.

Find the detailed results note 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	28.35	7.0	38.3	37.0	16.5	-6.9	-11.0	0.7	0.0	0.9	33.0	4,846
Kakuzi	424.8	64.3	5.7	460.0	370.0	-0.7	-4.9	1.5	5.2	19.8	21.5	1,632
Kapchorua	338.3	40.9	46.1	424.3	198.0	-1.5	23.0	1.5	0.0	12.6	26.9	9,914
Limuru	525.0	9.7	14.1	555.0	310.0	-2.4	8.8	9.7	0.0	-21.9	-24.0	195
Sasini	24.5	43.2	37.3	33.9	15.5	4.3	-9.8	0.3	0.0	0.9	28.8	4,473
Williamson	156.5	42.4	4.7	350.0	129.0	-9.5	16.6	0.5	9.6	3.3	47.3	26,318
		207.5									**27.6**	
COMMERCIAL AND SERVICES												
Longhorn	2.9	6.1	-0.7	3.5	2.5	10.3	-2.4	43.3	0.0	-1.0	-3.0	293
NBV	1.4	14.1	-8.2	1.8	1.2	-1.5	3.8	2.7	0.0	-0.1	-11.1	450
Nation Media	13.2	19.3	13.9	20.0	11.3	3.1	-5.1	0.4	0.0	-1.8	-7.3	1,944
Standard Group	6.3	4.0	4.0	6.8	5.3	2.6	-0.3	-0.2	0.0	-12.5	-0.5	131
TPS East Africa	15.9	34.7	8.2	18.2	13.6	5.6	1.0	0.3	2.2	2.8	5.7	2,412
Uchumi	1.5	4.2	45.6	2.9	0.3	-11.8	-6.8	-0.1	0.0	0.0	150.0	3,281
WPP Scangroup	2.1	7.0	-17.3	3.1	1.9	1.9	-5.8	0.2	0.0	-1.6	-1.3	1,206
		89.5									**5.7**	
TELECOMMUNICATIONS												
Safaricom	36.4	11,253.1	28.2	37.3	25.8	3.7	18.8	6.3	5.5	2.4	15.1	1,684,601
		11,253.1									**15.1**	
AUTOMOBILES & ACCESSORIES												
CarGen	374.3	231.9	633.8	409.0	29.1	201.8	376.8	3.6	0.8	30.5	12.3	21,650
Sameer	18.1	38.9	27.0	21.5	12.0	9.4	17.9	5.0	0.0	1.0	18.3	4,718
		270.9									**13.1**	
BANKING												
Absa Bank Kenya	35.3	1,479.4	42.7	36.5	19.6	6.5	22.6	1.8	5.8	4.2	8.4	175,408
Diamond Trust	173.3	374.3	51.3	185.0	87.0	18.3	16.1	0.5	4.0	27.3	6.3	259,435
Equity Bank	93.5	2,726.3	40.1	94.8	53.3	8.1	24.3	1.1	6.1	19.1	4.9	2,034,735
KCB Bank	93.5	2,321.6	44.3	94.8	49.3	15.1	40.1	0.9	7.5	20.8	4.5	1,145,168
HF Group	11.8	171.8	18.5	12.0	8.5	-0.4	27.7	1.3	0.0	0.8	15.7	23,402
I&M Holdings	79.0	1,062.2	86.1	82.0	38.1	15.8	58.0	1.2	4.7	10.8	7.3	150,121
NCBA Bank	90.5	1,152.1	7.7	100.0	60.5	1.4	2.5	1.2	7.8	14.2	6.4	401,717
Stanbic Holdings	275.0	840.0	39.1	300.0	170.0	-5.7	0.1	1.4	8.1	34.7	7.9	147,778
StanChart	335.5	979.5	12.9	370.0	279.5	-0.3	-0.4	1.9	9.2	32.9	10.2	123,316
Co-op Bank	36.4	1,647.9	51.8	40.0	17.3	3.7	12.4	1.3	6.9	5.1	7.2	245,416
		12,755.1						**1.3**			**7.9**	

*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	3.7	159.7	22.6	4.0	2.5	4.5	11.1	0.4	4.1	0.7	5.3	51,355
Britam	18.2	354.9	100.0	21.9	7.9	-9.5	41.6	1.3	0.0	2.2	8.3	25,938
CIC Insurance	4.7	104.9	3.3	6.6	3.9	3.5	12.1	1.1	2.8	0.2	22.5	9,084
Liberty Kenya Holdings	9.4	38.9	-6.9	12.1	8.1	1.3	-6.5	0.5	0.0	0.9	11.1	2,108
Jubilee Holdings	411.8	230.6	22.9	437.8	260.0	8.5	14.1	0.5	3.6	80.0	5.1	9,578
Sanlam Kenya	10.0	41.9	18.0	11.0	7.3	13.7	21.4	0.1	0.0	25.7	0.4	2,855
		930.8						**0.7**			**8.4**	
INVESTMENT												
Centum	17.3	89.0	24.9	19.5	11.7	16.5	27.2	0.3	1.8	1.1	15.5	17,332
TransCentury	1.1	9.8	187.2	1.8	0.3	-7.4	-11.1	-0.1	0.0	0.5	2.1	n/a
		98.7									**8.8**	
INVESTMENT SERVICES												
NSE	26.5	53.0	30.6	28.0	12.7	10.4	35.6	2.8	3.8	1.0	25.4	35,724
		53.0									**25.4**	
MANUFACTURING & ALLIED												
BOC	192.5	29.0	51.6	204.3	90.0	11.8	18.3	1.7	6.7	16.1	12.0	4,434
BAT Kenya	565.0	436.6	23.1	629.0	400.0	-2.4	11.9	3.6	12.4	52.5	10.8	108,453
Carbacid	48.3	95.0	64.4	48.8	22.0	33.7	65.0	2.4	4.1	3.9	12.2	15,416
EABL	277.0	1,692.5	5.3	351.0	195.5	4.1	13.6	4.3	4.0	19.0	14.6	329,362
Eveready	1.0	1.7	-25.5	1.8	0.9	-4.7	-7.3	-2.4	0.0	-0.2	-4.9	3,137
Unga Group	33.9	19.8	46.1	36.2	19.0	16.9	30.1	0.5	0.0	1.7	19.6	1,504
Flame Tree Group	2.1	2.9	35.7	3.1	0.9	17.0	4.9	0.2	0.0	-0.1	-23.7	836
		2,277.5									**13.7**	
CONSTRUCTION & ALLIED												
Bamburi	54.0	151.9	-12.6	84.0	47.0	0.0	-4.4	0.8	0.0	-2.8	-19.4	n/a
Crown Berger	63.0	69.3	15.6	70.8	44.5	5.9	5.4	2.2	4.8	6.7	9.5	2,541
EA Cables	1.7	3.3	58.3	3.3	1.0	-14.9	-19.7	-170.0	0.0	-1.0	-1.7	n/a
EA Portland	117.3	81.5	59.5	125.8	48.2	5.2	57.4	0.3	0.0	61.4	1.9	2,036
		306.1									**-2.4**	
ENERGY & PETROLEUM												
KenGen	11.2	568.1	21.5	11.8	7.5	7.2	21.5	0.3	1.8	1.6	7.0	118,719
Kenya Power	21.0	315.9	54.0	22.0	11.2	6.1	36.0	0.4	0.0	12.5	1.7	146,551
TotalEnergies Kenya	44.9	60.7	16.5	50.0	29.5	2.0	-0.6	0.2	7.7	3.5	13.0	13,153
Umeme	6.7	104.3	-14.8	10.3	5.8	-7.2	-15.7	0.0	26.0	2.4	2.8	2,596
		1,049.1									**5.3**	
Market ratios									**6.72**		**8.66**	

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

Disclosure and Disclaimer

Analyst Certification Disclosure: The research analyst or analysts responsible for the content of this research report certify that: (1) the views expressed and attributed to the research analyst or analysts in the research report accurately reflect their personal opinion(s) about the subject securities and issuers and/or other subject matter as appropriate; and, (2) no part of his or her compensation was, is or will be directly or indirectly related to the specific recommendations or views contained in this research report.

Shariah Compliant Disclosure: The research analyst or analysts responsible for the content of this research report certify that: The information provided in this report reflects SIB's approach to Sharia Compliant investing as at the date of this report and is subject to change without notice. We do not undertake to update any of such information in this report. Any references to Halal equities or similar terms in this report are intended as references to the internally defined criteria of the Firm or our businesses only, as applicable, and not to any jurisdiction-specific regulatory definition.

Global Disclaimer: Standard Investment Bank (SIB) and/or its affiliates makes no representation or warranty of any kind, express, implied or statutory regarding this document or any information contained or referred to in the document. The information in this document is provided for information purposes only. It does not constitute any offer, recommendation or solicitation to any person to enter into any transaction or adopt any hedging, trading or investment strategy, nor does it constitute any prediction of likely future movements in rates or prices, or represent that any such future movements will not exceed those shown in any illustration. The stated price of the securities mentioned herein, if any, is as of the date indicated and is not any representation that any transaction can be effected at this price. While reasonable care has been taken in preparing this document, no responsibility or liability is accepted for errors of fact or for any opinion expressed herein. The contents of this document may not be suitable for all investors as it has not been prepared with regard to the specific investment objectives or financial situation of any particular person. Any investments discussed may not be suitable for all investors. Users of this document should seek professional advice regarding the appropriateness of investing in any securities, financial instruments or investment strategies referred to in this document and should understand that statements regarding future prospects may not be realised. Opinions, forecasts, assumptions, estimates, derived valuations, projections and price target(s), if any, contained in this document are as of the date indicated and are subject to change at any time without prior notice. Our recommendations are under constant review. The value and income of any of the securities or financial instruments mentioned in this document can fall as well as rise and an investor may get back less than invested. Future returns are not guaranteed, and a loss of original capital may be incurred. Foreign-currency denominated securities and financial instruments are subject to fluctuation in exchange rates that could have a positive or adverse effect on the value, price or income of such securities and financial instruments. Past performance is not indicative of comparable future results and no representation or warranty is made regarding future performance. While we endeavour to update on a reasonable basis the information and opinions contained herein, there may be regulatory, compliance or other reasons that prevent us from doing so. Accordingly, information may be available to us which is not reflected in this material, and we may have acted upon or used the information prior to or immediately following its publication. SIB is not a legal or tax adviser, and is not purporting to provide legal or tax advice. Independent legal and/or tax advice should be sought for any queries relating to the legal or tax implications of any investment. SIB and/or its affiliates may have a position in any of the securities, instruments or currencies mentioned in this document. SIB has in place policies and procedures and physical information walls between its Research Department and differing business functions to help ensure confidential information, including 'inside' information is not disclosed unless in line with its policies and procedures and the rules of its regulators. Data, opinions and other information appearing herein may have been obtained from public sources. SIB makes no representation or warranty as to the accuracy or completeness of such information obtained from public sources. You are advised to make your own independent judgment (with the advice of your professional advisers as necessary) with respect to any matter contained herein and not rely on this document as the basis for making any trading, hedging or investment decision. SIB accepts no liability and will not be liable for any loss or damage arising directly or indirectly (including special, incidental, consequential, punitive or exemplary damages) from the use of this document, howsoever arising, and including any loss, damage or expense arising from, but not limited to, any defect, error, imperfection, fault, mistake or inaccuracy with this document, its contents or associated services, or due to any unavailability of the document or any part thereof or any contents or associated services. This material is for the use of intended recipients only and, in any jurisdiction in which distribution to private/retail customers would require registration or licensing of the distributor which the distributor does not currently have, this document is intended solely for distribution to professional and institutional investors.

CONTACTS

Research

Eric Musau
emusau@sib.co.ke

Wesley Manambo
wmanambo@sib.co.ke

Melodie Gatuguta
mgatuguta@sib.co.ke

Anjali Patel
apatel@sib.co.ke

Equity Trading

Tony Waweru
awaweru@sib.co.ke

Foreign Equity Sales

John Mucheru
jmucheru@sib.co.ke

Fixed Income Trading

Brian Mutunga
bmutunga@sib.co.ke

Barry Omotto
bomotto@sib.co.ke

Global Markets

Nahashon Mungai
nmungai@sib.co.ke

Nickay Wangunyu
nwangunyu@sib.co.ke

Robin Mathenge
rmathenge@sib.co.ke

Corporate Finance

Job Kihumba
jkihumba@sib.co.ke

Fred Opondo
fopondo@sib.co.ke

Lorna Wambui
wndungi@sib.co.ke

Marketing & Communications

Victor Ooko
communications@sib.co.ke

Client Services
clientservice@sib.co.ke

Private Client Services

Boniface Kiundi
bkiundi@sib.co.ke

Frankline Kirigia
fkirigia@sib.co.ke

Laban Githuki
lgithuki@sib.co.ke

Headquarters

JKUAT Towers (Formerly ICEA Building),
16th Floor , Kenyatta Avenue, Nairobi,
Kenya.

Telephone: +254 20 227 7000, +254 20 227 7100

Email: clientservices@sib.co.ke