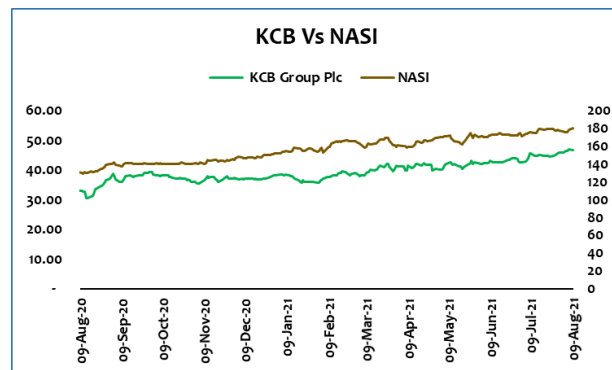


KINGDOM SECURITIES

WEEKLY STOCK PICKS & STOCKMETER

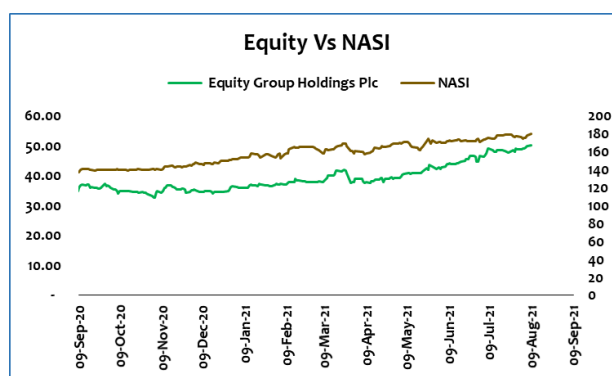
KCB GROUP – LONG-TERM BUY: The counter continues to flourish riding on its largest asset base the region. The cross listed bank has seen a steady price rise of 52.0% y/y from a low of Kes. 30.55 to a high of Kes. 46.75 in August 2021. In Q1-2021, the banking company saw an 8.7% growth in revenues compared to Q1-2020.

As the economic recovery acceleration picks on, we anticipate a lasting growth on the bank's overall topline revenue which will further resuscitate its share price to the pre-covid-19 levels of about Kes. 50.00. Its in line with this that we maintain the term BUY on the counter.



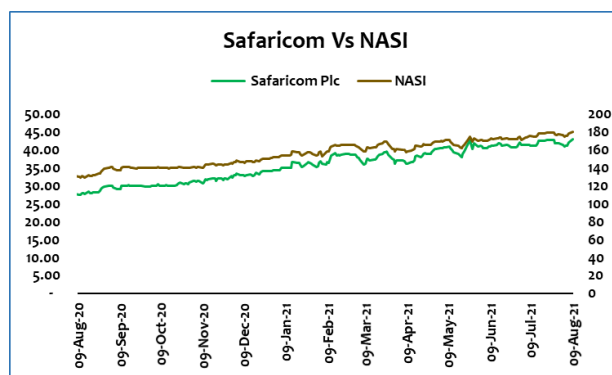
EQUITY GROUP – LONG-TERM BUY: The transformative bank's share price has gathered 38.6% ytd and 12.5% from the closure of Q2-2021 to date. The counter has seen its foreign entry grow progressively to an average of 70% as of the end of the first week of July. The group's Q1-2021 PBT spiked 67.3%, propelling its share price to grow by 10.9% at the end of Q2-2021, boosted by investor confidence of future dividend and stellar performance supported by reopened economy and low loan loss provisions compared to that of FY-2020.

We, therefore, retain an entry on the counter to gain on capital gains and the expected dividend payment.



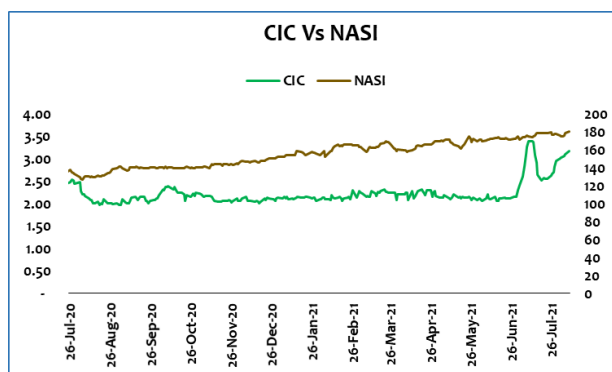
SAFARICOM – LONG-TERM BUY: Currently trading at Kes. 42.95, having gained 25.4% ytd and 3.6% quarter to date, the Telcon giant remains a preferred counter to invest owing to its innovative nature. Product enhancement and client tailored service delivery remains its key focus.

The counter remains lucrative for both short-term and long-term investors following the expected long-term gains from the ongoing Safaricom establishment in the Ethiopian market, and gains from the return of M-pesa charges.



CIC - SELL: The risk shouldering group is currently trading at Kes. 3.18 which is 50.7% up ytd, 50.0% up y/y and 47.2% up from closure of Q2-2021 to date. With the looming and mutating covid-19, the insurance sector remains uncertain despite the resumption of movements. As such, we have witnessed the volumes traded dwindle as the price went down after striking a high of Kes. 3.39 in early July.

We therefore advise our short-term investors on a SELL to gain on capital gains as long-term investors hold on the long-term.

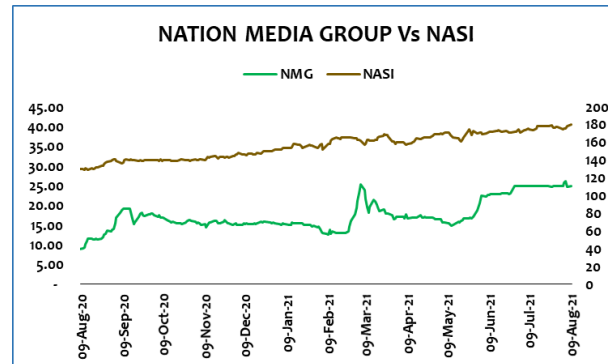


August 10, 2021

KINGDOM SECURITIES

NMG GROUP -SELL: The counter's buy back price remains at Kes. 25.00 till a 10.0% or 20.74Mn shares acquisition is achieved on or before 24th September 2021 as per to its board announcement.

We therefore remind a SELL on the counter at Kes. 25.00 for those who would want to exit.



Ongoing Corporate Action List

DIVIDEND PAYMENT							
COUNTER	EVENT	ANNOUNCEMENT DATE	BOOK CLOSURE	PAYMENT DATE	AMOUNT	EPS	PAYOUT
Williamson Tea	F&F	30-Jun-21	21-Jul-21	TBA	10.00	8.31	
Kapchora	F&F	30-Jun-21	21-Jul-21	TBA	10.00	0.90	
NSE Ltd	F&F	26-Mar-21	4-Jun-21	30-Aug-21	0.53	0.65	81.5%
Safaricom	F	13-May-21	30-Jul-21	31-Aug-21	0.92	1.71	53.8%
BAT	I	22-Jul-21	12-Aug-21	12-Aug-21	3.50	55.18	6.3%
Centum	F	27-Jul-21	TBA	TBA	0.33	0.93	35.5%
Kenya Re	F&F	2-Jun-21	30-Jun-21	13-Aug-21	0.20	1.00	20.0%

F -Final, F&F - First and Final, I - Interim

KINGDOM SECURITIES

Research analyst certification:

The research analyst(s) primarily responsible for the preparation and content of all or any identified portion of this research report hereby certifies that all of the views expressed herein accurately reflect their personal views. Each research analyst(s) also certify that no part of their compensation was, is, or will be, directly or indirectly, related to the view(s) expressed by that research analyst in this research report.

Terms of use – Disclaimer:

This research report has been prepared by Kingdom Securities Limited and is for information purposes only. This research fareport should not be construed as an offer or solicitation to sell or buy any investment or product. Any opinions expressed herein reflect the analyst's judgment at the date of publication and neither Kingdom Securities Limited, nor any of its affiliates or employees accepts any responsibility in respect of the information or recommendations contained herein. Unless otherwise stated, the opinions contained in this material are as of the date indicated and are subject to change at any time without prior notice. Past performance is not a guarantee or indication of future results.

The information and opinions contained in this Material have been derived from sources believed to be reliable and in good faith or constitute Kingdom Securities' judgement as at the date of this research but no warranty is made as to their accuracy and any opinions are subject to change and may be superseded without notice. In no circumstances will Kingdom Securities or its employees be liable to you for any errors or omissions in this report or for any losses you may incur in following any recommendations in the report. Kingdom Securities is a Subsidiary of Co-operative Bank of Kenya.

Recommendation Guide:

Analysts' stock ratings are defined as follows:

- **Buy** – A buy rating reflects 1) An analyst has a bullish conviction on a stock 2) A 30% or greater expected return.
- **Accumulate** – An accumulate rating reflects 1) An analyst has a lesser bullish conviction on a stock 2) Expected return falls between 10% and 30%.
- **Hold** – A hold rating reflects 1) An analyst has a neutral conviction (lack of bullish or bearish conviction) on a stock 2) Expected return falls within the range of 5% to 10%.
- **Speculative Buy** – A speculative buy rating reflects 1) An analyst has a bullish conviction accompanied by a substantially higher than normal risk 2) Expected return falls above 10%.
- **Sell** – A sell rating reflects 1) An analyst has a bearish conviction on a stock 2) Expected return falls below 5%.

*Expected Return (ER) represents the sum total of both capital appreciation and the dividend yield.

Kingdom Securities Ltd – A subsidiary of Co-operative Bank Limited. Co-operative Bank House- 5th Floor,

P.O Box 48231 - 00100 Nairobi, Kenya

Office: 0711049540/0711049956

Email: kingdomresearch@co-opbank.co.ke

Research Department

Willis Nalwenge wnalenge@co-opbank.co.ke
Shadrack Manyinsa smanyinsa@co-opbank.co.ke

Equities Dealing

Justus Ogalo jogalo@co-opbank.co.ke
Andrew Karanja amkaranja@co-opbank.co.ke