Nairobi Metropolitan Area (NMA) Mixed-Use Developments Report 2026, & Cytonn Weekly 46.2026

Executive Summary

Fixed Income: During the week, T-bills were oversubscribed for the sixteenth consecutive week, with the overall subscription rate decreasing to 157.5%, lower than the subscription rate of 247.3% recorded the previous week. Investors' preference for the shorter 91-day paper persisted, with the paper receiving bids worth Kshs 22.7 bn against the offered Kshs 8.0 bn, translating to a subscription rate of 283.5%, lower than the subscription rate of 396.1% recorded the previous week. The subscription rates for the 182-day and 364-day papers decreased to 88.6% and 125.5%, from 223.3% and 152.4% recorded the previous week, respectively. The government accepted a total of Kshs 43.7 bn worth of bids out of Kshs 44.1 bn bids received, translating to an acceptance rate of 99.1%. The yields on the government papers declined marginally, with the yield on the 364-day paper decreasing the most by 1.6 bps to 8.99% from 9.01% recorded the previous week, while the yields on the 182-day and 91-day papers decreased by 0.9 bps and 0.3 bps to 8.83% and 8.74%, respectively, from 8.84% and 8.74% recorded the previous week;

During the week, the Central Bank of Kenya released the auction results for the re-opened treasury bonds FXD1/2019/015 and SDB1/2011/030 with tenors to maturity of 7.2 years and 14.2 years respectively and fixed coupon rates of 12.9% and 12.0% respectively. The bonds were oversubscribed, with the overall subscription rate coming in at 171.1%, receiving bids worth Kshs 85.6 bn against the offered Kshs 50.0 bn.

The government accepted bids worth Kshs 52.2 bn, translating to an acceptance rate of 61.0%. The weighted average yield for the accepted bids for the FXD1/2019/015 and SDB1/2011/030 came in at 12.6% and 13.6% respectively. Notably, the 13.6% yield on the SDB1/2011/030 was marginally lower than the 13.7% recorded at the last reopening in October 2026. With the inflation rate at 7.3% as of October 2026, the real returns of the FXD1/2019/015 and SDB1/2011/030 are 5.3% and 6.3% respectively. Given the 10.0% withholding tax on the bonds, the tax equivalent yields for shorter term bonds with 15.0% withholding tax are 13.3% for FXD1/2019/015 and 14.4% for SDB1/2011/030;

Equities: During the week, the equities market was on a downward trajectory, with the NASI, NSE 10, NSE 25 and NSE 20 declining by 1.6%, 1.4%, 1.2%, and 1.2% respectively, taking their YTD performance to gains of 33.2%, 31.8%, 31.7%, and 27.0% respectively for NSE 10, NSE 20, NSE 25 and NASI respectively. The week-on-week equities market performance was mainly driven by losses recorded by large-cap stocks such as KCB, Equity and Safaricom of 3.7%, 2.5% and 2.3% respectively. The performance was however supported by gains recorded by large-cap stocks such as EABL and Stanbic Bank of 3.7% and 2.8% respectively;

During the week, the banking sector index decreased by 1.6% to 279.5 from the 284.1 recorded the previous week. This is attributable to losses recorded by large cap stocks such as KCB, Equity and NCBA of 3.7%, 2.5% and 1.7% respectively. The performance was however supported by gains recorded by large-cap stocks such as Stanbic Bank of 2.8%;

During the week, equities turnover decreased by 9.7% to USD 28.0 mn from USD 31.0 mn recorded the previous week, taking the YTD total turnover to USD 4,376.3 mn. Foreign investors became net sellers for the second consecutive week with a net selling position of USD 1.2 mn, from a net selling position of USD 2.4 mn recorded the previous week, taking the YTD foreign net buying position to USD 619.1 mn, compared to a net selling position of USD 92.9 mn recorded in 2025;

During the week, the following companies released their Q3'2026 financial results:

i. Equity Bank released Q3'2026 financial results, recording a 32.0% increase in profit after tax to Kshs 71.5 bn in Q3'2026, from Kshs 54.1 bn in Q3'2025;

ii. Family Bank released Q3'2026 financial results, recording a 68.7% increase in profit after tax to Kshs 6.1 bn in Q3'2026, from Kshs 3.6 bn in Q3'2025;
iii. KCB released their Q3'2026 financial results, recording a 23.9% increase in profit after tax to Kshs 58.6 bn in Q3'2026, from Kshs 47.3 bn in Q3'2025;
iv. Standard Chartered Bank released their Q3'2026 financial results, recording a 7.4% increase in profit after tax to Kshs 10.5 bn in Q3'2026, from Kshs 9.8 bn in Q3'2025;
v. DTB Bank released their Q3'2026 financial results, recording a 25.8% increase in profit after tax to Kshs 10.5 bn in Q3'2026, from Kshs 8.4 bn in Q3'2025;
vi. Stanbic Bank released their Q3'2026 financial results, recording a 10.0% increase in profit after tax to Kshs 10.3bn in Q3'2026, from Kshs 9.4 bn in Q3'2025;

During the week, the Capital Markets Authority approved the Nairobi Securities Exchange's request to extend equity, fixed income, and derivatives (NSE NEXT) trading hours by one hour, from 3:00 p.m. to 4:00 p.m., effective Monday, 4 January 2027;

Real Estate: During the week, the Kenya National Bureau of Statistics (KNBS) released the Leading Economic Indicators (LEI) September 2026 Report, which highlighted the performance of major economic indicators such as cement consumption and the value of building plans approved in the Nairobi Metropolitan area;

During the week, the National Social Security Fund (NSSF) confirmed that the National Assembly's Departmental Committee on Social Protection formally endorsed the Fund's equity investment in the 233-kilometre Rironi-Mau Summit Highway Public-Private Partnership (PPP) project following an inspection tour on November 16, 2026

During the week, the Fortren & Company Africa Real Estate Investment Trust (REIT) Report (September 2026), alongside regulatory filings from the Capital Markets Authority (CMA) and the REITs Association of Kenya (RAK), positioned Kenya as Africa's fourth-largest REIT market with a total market capitalization of USD 247.6 mn (Kshs 32.2 bn);

On the Nairobi Securities Exchange (NSE) Unquoted Securities Platform (USP), Acorn D-REIT and Acorn I-REIT traded at Kshs 29.7 and Kshs 24.4 per unit, respectively, as at 20th November 2026. On a Year-to-Date (YTD) basis, Acorn D-REIT unit prices increased by 8.2% to Kshs 29.7 as at 20th November 2026 from Kshs 27.4 as at 31st December 2025 (and increased by 9.2% y/y from Kshs 27.2 as at 20th November 2025), representing a cumulative 48.3% gain from its Kshs 20.0 inception price. Similarly, Acorn I-REIT unit prices increased by 5.3% YTD to Kshs 24.4 as at 20th November 2026 from Kshs 23.2 as at 31st December 2025 (and increased by 6.1% y/y from Kshs 23.0 as at 20th November 2025), reflecting a 22.2% gain from its Kshs 20.0 inception price. Meanwhile, ILAM Fahari I-REIT closed at Kshs 13.8 per unit as at 20th November 2026; although this represents a 31.0% loss from its Kshs 20.0 inception price, its unit price increased by 25.5% YTD to Kshs 13.8 as at 20th November 2026 from Kshs 11.0 as at 20th November 2025 (and increased by 23.2% y/y from Kshs 11.2 as at 20th November 2025);

Digital Payments: During the week, Visa Inc. announced the expansion of its Visa Agentic Ready program to the acceptance ecosystem, launching with more than 140 initial participants including, Global Payments, PayPal, and Stripe, across merchants, B2B suppliers, payment service providers (PSPs), acquirers, and commerce platforms;

During the week, Block, Inc. (via its Square unit) announced a strategic partnership with National Australia Bank (NAB) to deliver integrated point-of-sale and digital payment capabilities to Australian businesses, alongside releasing new data on Square's bitcoin payment adoption;

During the week, Wise PLC announced the expansion of its Wise Platform infrastructure across the Asia-Pacific region through a new partnership with Bank Negara Indonesia (BNI) and expanded collaborations with Standard Chartered and Malaysia's MBSB Bank;

The digital payment stocks we track (AXP, Visa, Mastercard, Circle, Block, and PayPal) are currently trading at an average forward P/E of 23.1x, implying that investors continue to price in resilient earnings growth and strong digital payment adoption, although elevated operating costs and higher client incentives across legacy card networks may moderate valuation expansion in the near term;

Focus of The Week: This report updates our 2025 analysis of Mixed-Use Developments (MUDs) in the Nairobi Metropolitan Area (NMA) against single-use Residential, Commercial Office and Retail developments. MUDs recorded an average rental yield of 8.6% in 2026, 1.0% points above the 7.6% for single-use themes, but 0.1% points below the 8.7% of 2025 as retail yields fell by 1.2% points to 9.3%, with prices rising faster than rents. Office yields rose by 0.4% points to 9.0% and residential yields by 0.1% points to 7.3%. Karen, Kilimani and UpperHill led by node, at 9.6%, 9.1% and 9.0%.

Growth is supported by developers' shift toward mixed-use schemes, large integrated and urban renewal projects, deeper REIT funding and demand for Grade A offices, while higher construction costs, a 3.4 mn SQFT office oversupply and weak retail spending remain constraints. With retail, office and residential outlooks all neutral, we retain a NEUTRAL outlook for MUDs, with Karen, Kilimani and UpperHill offering the best investment opportunities.

Investment Updates:

- Weekly Rates: Cytonn Money Market Fund closed the week at a yield of 11.04% p.a. To invest, dial *809# or download the Cytonn App from Google Play store here or from the Appstore here;
- We continue to offer Wealth Management Training every Tuesday, from 7:00 pm to 8:00 pm. The training aims to grow financial literacy among the general public. To register for any of our Wealth Management Trainings, click here; If interested in our Private Wealth Management Training for your employees or investment group, please get in touch with us through wmt@cytonn.com;
- Cytonn Asset Managers Limited (CAML) continues to offer pension products to meet the needs of both individual clients who want to save for their retirement during their working years and Institutional clients that want to contribute on behalf of their employees to help them build their retirement pot. To learn more about our pension schemes, kindly get in touch with us through pensions@cytonn.com;

Hospitality Updates:

- We currently have promotions for Staycations. Visit cysuites.com/offers for details or email us at sales@cysuites.com;

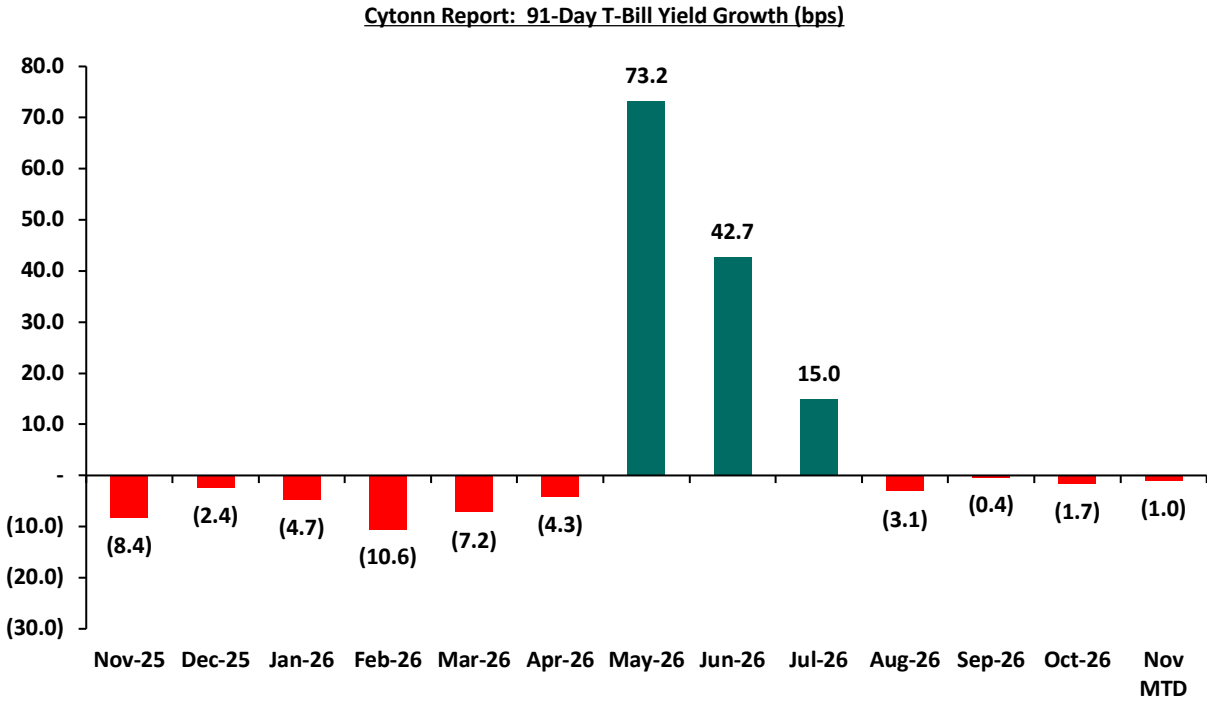
Fixed Income

Money Markets, T-Bills Primary Auction:

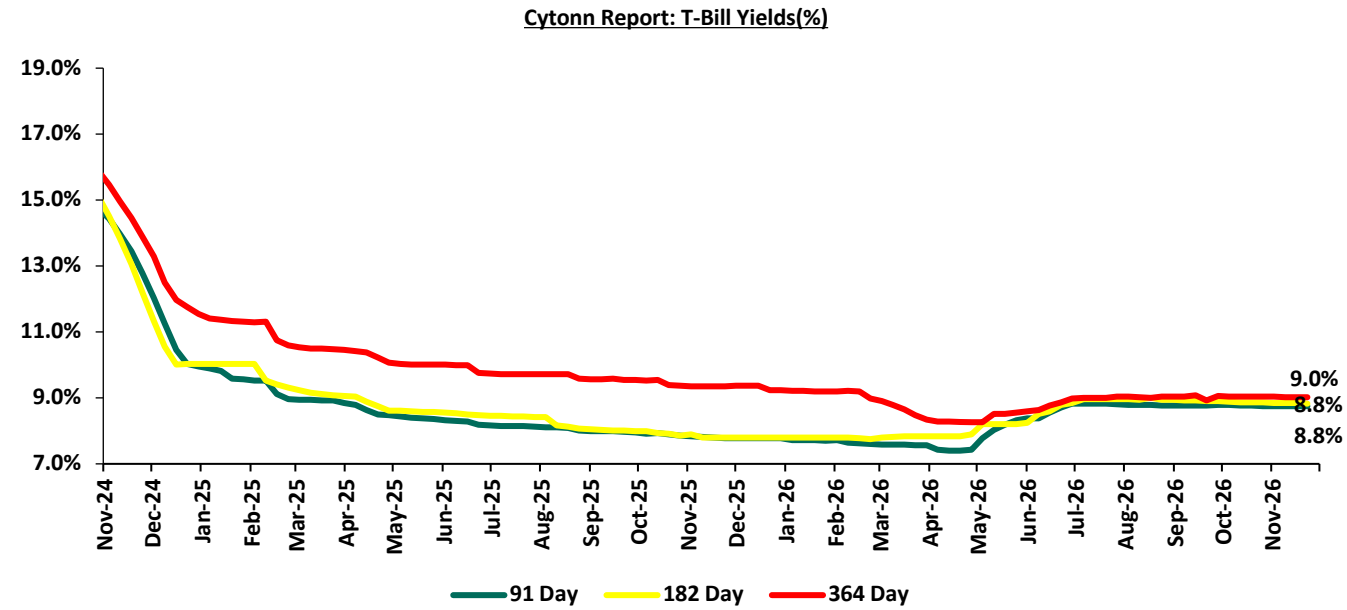
This week, T-bills were oversubscribed for the sixteenth consecutive week, with the overall subscription rate decreasing to 157.5%, lower than the subscription rate of 247.3% recorded the previous week. Investors' preference for the shorter 91-day paper persisted, with the paper receiving bids worth Kshs 22.7 bn against the offered Kshs 8.0 bn, translating to a subscription rate of 283.5%, lower than the subscription rate of 396.1% recorded the previous week. The subscription rates for the 182-day and 364-day papers decreased to 88.6% and 125.5%, from 223.3% and 152.4% recorded the previous week, respectively. The government accepted a total of Kshs 43.7 bn worth of bids out of Kshs 44.1 bn bids received, translating to an acceptance rate of 99.1%. The yields on the government papers declined marginally, with the yield on the 364-day paper decreasing the most by 1.6 bps to 8.99% from 9.01% recorded the previous week, while

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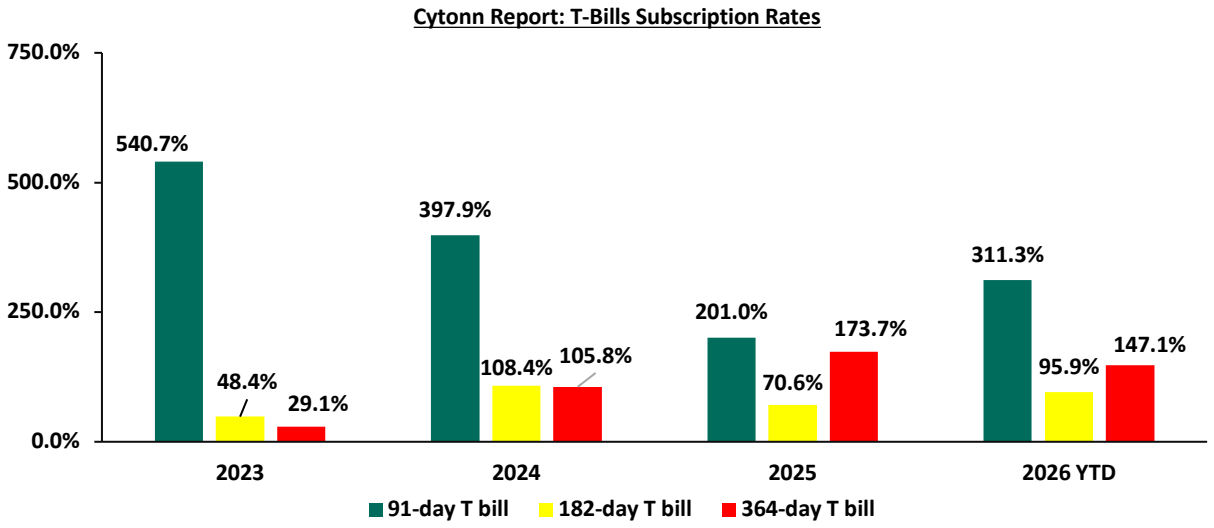
The chart below shows the yield growth rate for the 91-day paper from Nov 2025 to date:



The chart below shows the performance of the 91-day, 182-day and 364-day papers from November 2024 to November 2026:



The chart below compares the overall average T-bill subscription rates obtained in 2023, 2024, 2025 and 2026 Year-to-date (YTD):



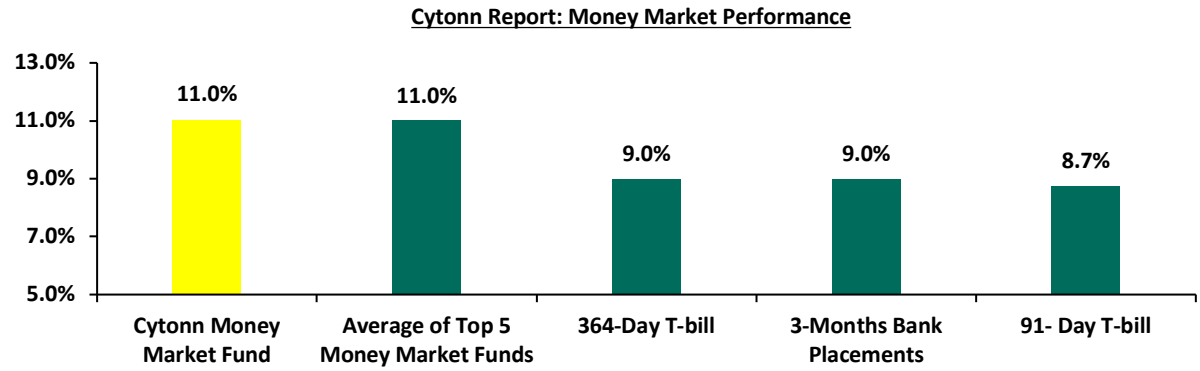
T-Bonds Primary Auction:

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The government accepted bids worth Kshs 52.2 bn, translating to an acceptance rate of 61.0%. The weighted average yield for the accepted bids for the FXD1/2019/015 and SDB1/2011/030 came in at 12.6% and 13.6% respectively. Notably, the 13.6% yield on the SDB1/2011/030 was marginally lower than the 13.7% recorded at the last reopening in October 2026.With the Inflation rate at 7.3% as of October 2026, the real returns of the FXD1/2019/015 and SDB1/2011/030 are 5.3% and 6.3% respectively. Given the 10.0% withholding tax on the bonds, the tax equivalent yields for shorter term bonds with 15.0% withholding tax are 13.3% for FXD1/2019/015 and 14.4 % for SDB1/2011/030.

Money Market Performance:

In the money markets, 3-month bank placements ended the week at 9.0% (based on rates offered by various banks). The yields on the government papers declined marginally, with the yield on the 364-day paper decreasing the most by 1.6 bps to 8.99% from 9.01% recorded the previous week, while the yields on the 91-day papers decreased by 0.3 bps to remain relatively unchanged from the 8.7% recorded the previous week. The yield on the Cytonn Money Market Fund decreased by 5.0 bps to 11.0% from 11.1% recorded the previous week, while the average yields on Top 5 Money Market Funds increased by 42.2 bps to 11.0% from 10.6% recorded the previous week.



The table below shows the Money Market Fund Yields for Kenyan Fund Managers as published on 20th November 2026

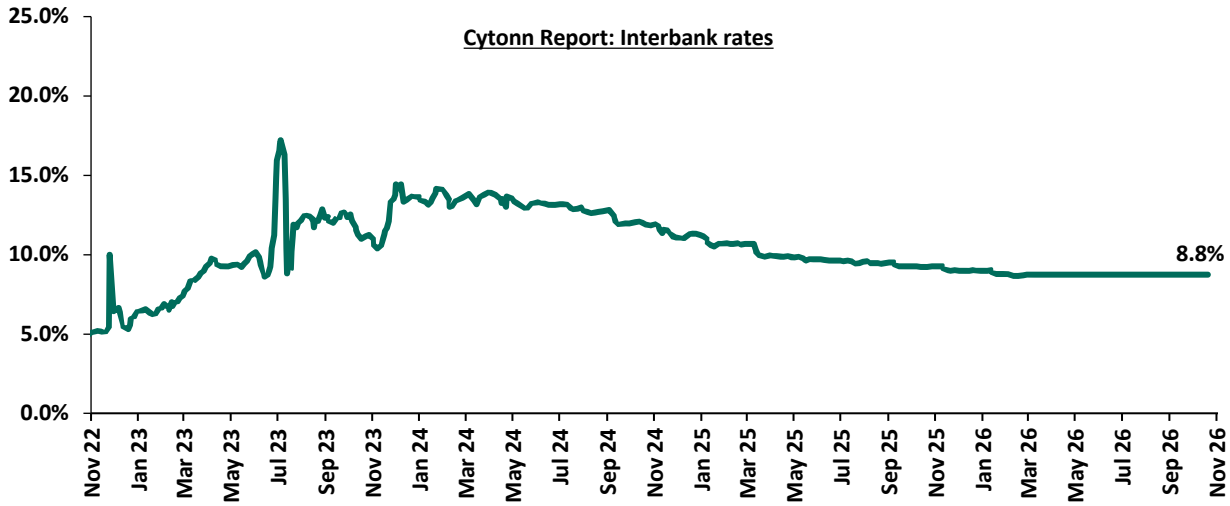
Money Market Fund Yield for Fund Managers as published on 20/11/2026		
Rank	**Fund Manager**	**Effective**
1	GenAfrica Money Market Fund	11.5%
2	Cytonn Money Market Fund (Dial *809# or download Cytonn App)	11.0%
3	Faulu Money Market Fund	10.9%
4	Rejesha Money Market Fund	10.9%
5	Lofty-Corban Money Market Fund	10.7%
6	Apollo Money Market Fund	10.6%
7	Ndovu Money Market Fund	10.5%
8	Arvocap Money Market Fund	10.5%
9	Etica Money Market Fund	10.4%
10	Nabo Africa Money Market Fund	10.4%
11	Madison Money Market Fund	10.4%
12	Orient Kasha Money Market Fund	10.3%
13	Old Mutual Money Market Fund	10.3%
14	Kuza Money Market fund	10.2%
15	Enwealth Money Market Fund	10.2%
16	Gulfcap Money Market Fund	10.1%
17	Jubilee Money Market Fund	10.0%
18	SanlamAllianz Money Market Fund	9.6%
19	Globetec Money Market Fund	9.6%
20	KCB Money Market Fund	9.5%
21	British-American Money Market Fund	9.4%
22	Dry Associates Money Market Fund	9.2%
23	Genghis Money Market Fund	8.9%
24	CPF Money Market Fund	8.8%
25	CIC Money Market Fund	8.4%
26	Mali Money Market Fund	8.3%
27	AA Kenya Shillings Fund	8.3%
28	Mayfair Money Market Fund	8.3%
29	Co-op Money Market Fund	8.0%

30	Absa Shilling Money Market Fund	7.9%
31	ICEA Lion Money Market Fund	7.7%
32	Ziidi Money Market Fund	6.1%
33	Stanbic Money Market Fund	5.7%
34	Equity Money Market Fund	5.5%

Source: Business Daily

Liquidity:

During the week, liquidity in the money markets eased with the average interbank rate decreasing marginally by 0.05 bps to remain unchanged from the 8.75% recorded the previous week, partly attributable to government payments that offset tax remittances. The average interbank volumes traded decreased by 80.0% to Kshs 2.7 bn from Kshs 13.4 bn recorded the previous week. The chart below shows the interbank rates in the market over the years:



Kenya Eurobonds:

During the week, the yields on the Eurobonds were on an upward trajectory with the yield on the 12-year Eurobond issued in 2021, increasing the most by 63.9 bps to 9.2% from 8.5% recorded the previous week. The table below shows the summary performance of the Kenyan Eurobonds as of 19th November 2026;

Cytonn Report: Kenya Eurobonds Performance					
	2018		2019	2021	2024
Tenor	10-year issue	30-year issue	12-year issue	13-year issue	7-year issue
Amount Issued (USD)	1.0 bn	1.0 bn	1.0 bn	1.5 bn	1.5 bn
Years to Maturity	2.5	22.5	8.8	5.5	10.5
Yields at Issue	7.3%	8.3%	6.2%	10.4%	9.9%
02-Jan-26	6.1%	8.8%	7.2%	7.8%	7.1%
02-Nov-26	7.3%	9.9%	8.7%	9.2%	7.9%

12-Nov-26	7.2%	9.6%	8.5%	8.9%	7.7%
13-Nov-26	7.3%	9.6%	8.6%	9.0%	7.8%
16-Nov-26	7.5%	9.8%	8.9%	9.2%	8.0%
17-Nov-26	7.5%	9.9%	9.2%	9.3%	8.1%
18-Nov-26	7.5%	9.8%	9.1%	9.3%	8.0%
19-Nov-26	7.6%	9.9%	9.2%	9.3%	8.1%
Weekly Change	**0.4%**	**0.3%**	**0.6%**	**0.4%**	**0.4%**
MTD Change	**0.4%**	**(0.0%)**	**0.5%**	**0.1%**	**0.2%**
YTD Change	**1.6%**	**1.0%**	**2.0%**	**1.5%**	**1.0%**

Source: Central Bank of Kenya (CBK) and National Treasury

Kenya Shilling:

During the week, the Kenya Shilling depreciated by 3.1 bps against the US Dollar, to Kshs 130.0 from the Kshs 129.96 recorded the previous week. On a year-to-date basis, the shilling has depreciated by 73.6 bps against the dollar, as compared to the 22.9 bps appreciation recorded in 2025.

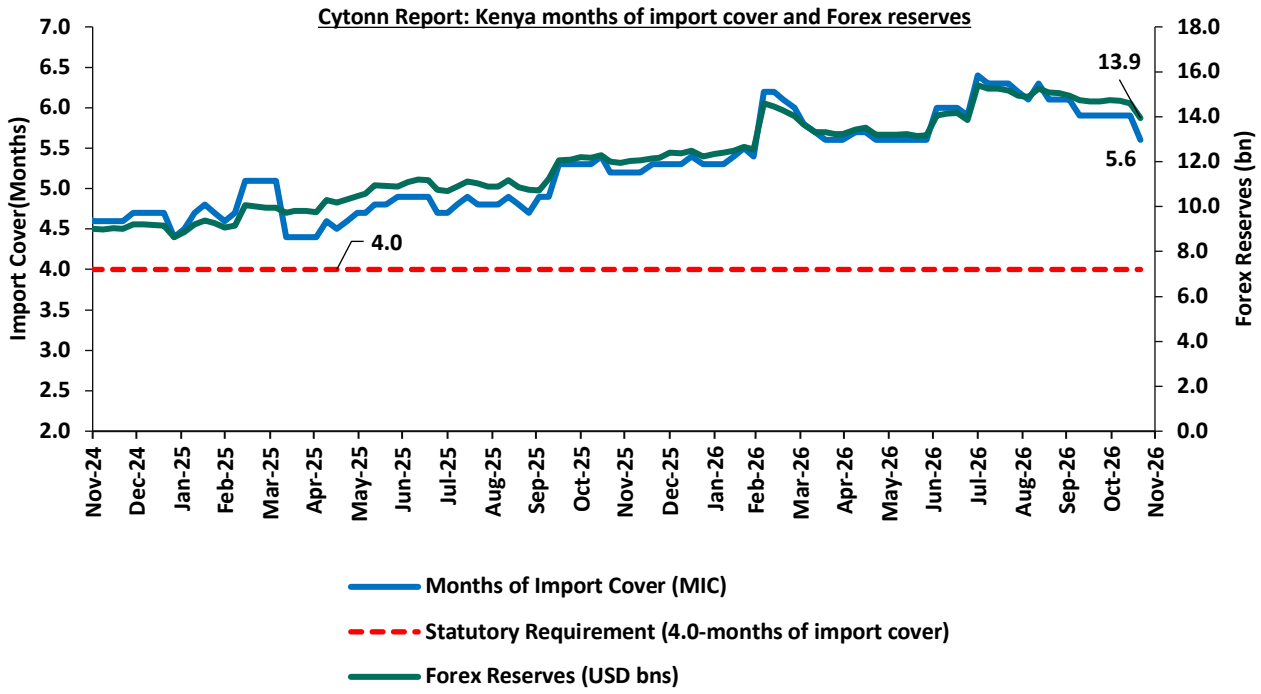
We expect the shilling to be supported by:

i. Diaspora remittances decreased marginally by 1.1% to a cumulative USD 5,023.2 mn in the twelve months to October 2026, lower than the USD 5,081.6 mn recorded over the same period in 2025. These have continued to cushion the shilling against further depreciation. In the October 2026 diaspora remittances figures, North America remained the largest source of remittances to Kenya accounting for 45.4% in the period,
ii. Improved forex reserves currently at USD 13.9 bn (equivalent to 5.6-months of import cover), which is above the statutory requirement of maintaining at least 4.0-months of import cover and above the EAC region's convergence criteria of 4.5-months of import cover

The shilling is however expected to remain under pressure in 2026 as a result of:

i. An ever-present current account deficit which widened to 3.1% of GDP in the 12 months to August 2026 compared to 2.1% of GDP in a similar period in 2025 and,
ii. The need for government debt servicing, continues to put pressure on forex reserves given that 54.5% of Kenya's external debt is US Dollar-denominated as of August 2026.
iii. Rising geopolitical tensions in the Middle East, which could exert pressure on the shilling through higher global oil prices and increased uncertainty in international markets. Given that Kenya is a net importer of petroleum products, any sustained increase in oil prices would widen the import bill, increase demand for US Dollars, and consequently put depreciation pressure on the shilling

Kenya's forex reserves marginally decreased by 4.5% during the week to USD 13.9 bn from USD 14.6 bn recorded the previous week, equivalent to 5.6 months of import cover, and above the statutory requirement maintaining at least 4.0-months of import cover.



Rates in the fixed income market have declined MTD, reversing the recent upward trend. The decline comes despite the CBK's decision to pause its rate-cutting cycle at 8.75%, with inflation remaining elevated at 7.3%, just 0.2% points below the upper bound of CBK's target range of 2.5%-7.5%. The government is 208.8% ahead of its prorated net domestic borrowing target of Kshs 366.2 bn, having a net borrowing position of Kshs 764.7 bn (inclusive of T-bills). We expect investors to maintain a preference for short to medium-term papers as they monitor the pace of government issuance and the path of inflation before committing further out on the curve, with the yield curve likely to remain under upward pressure rather than stabilize, at least until the inflation trajectory becomes clearer.

Equities

Market Performance:

During the week, the equities market was on a downward trajectory, with the NASI, NSE 10, NSE 25 and NSE 20 declining by 1.6%, 1.4%, 1.2%, and 1.2% respectively, taking their YTD performance to gains of 33.2%, 31.8%, 31.7%, and 27.0% respectively for NSE 10, NSE 20, NSE 25 and NASI respectively. The week-on-week equities market performance was mainly driven by losses recorded by large-cap stocks such as KCB, Equity and Safaricom of 3.7%, 2.5% and 2.3% respectively. The performance was however supported by gains recorded by large-cap stocks such as EABL and Stanbic Bank of 3.7% and 2.8% respectively.

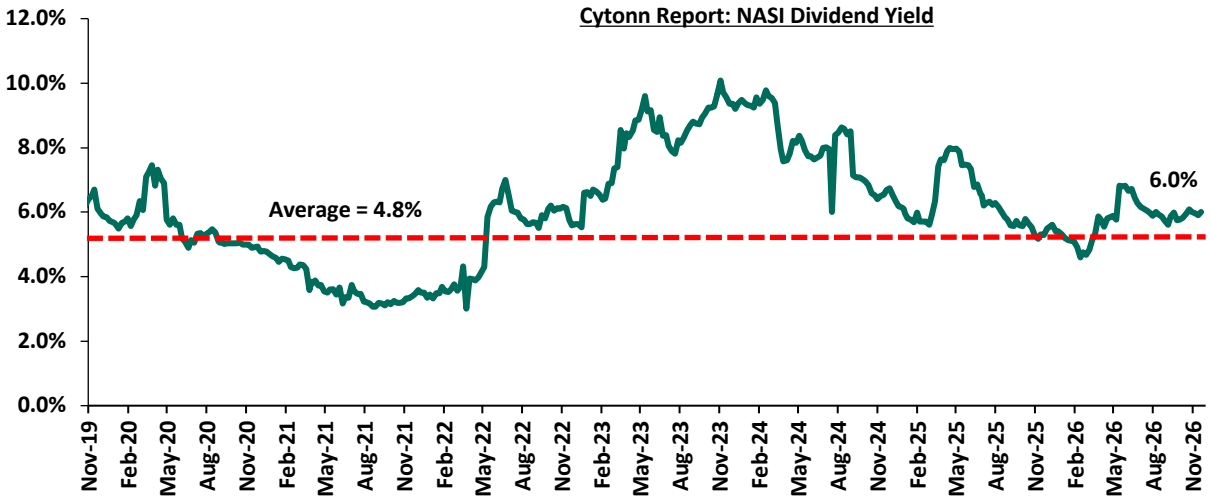
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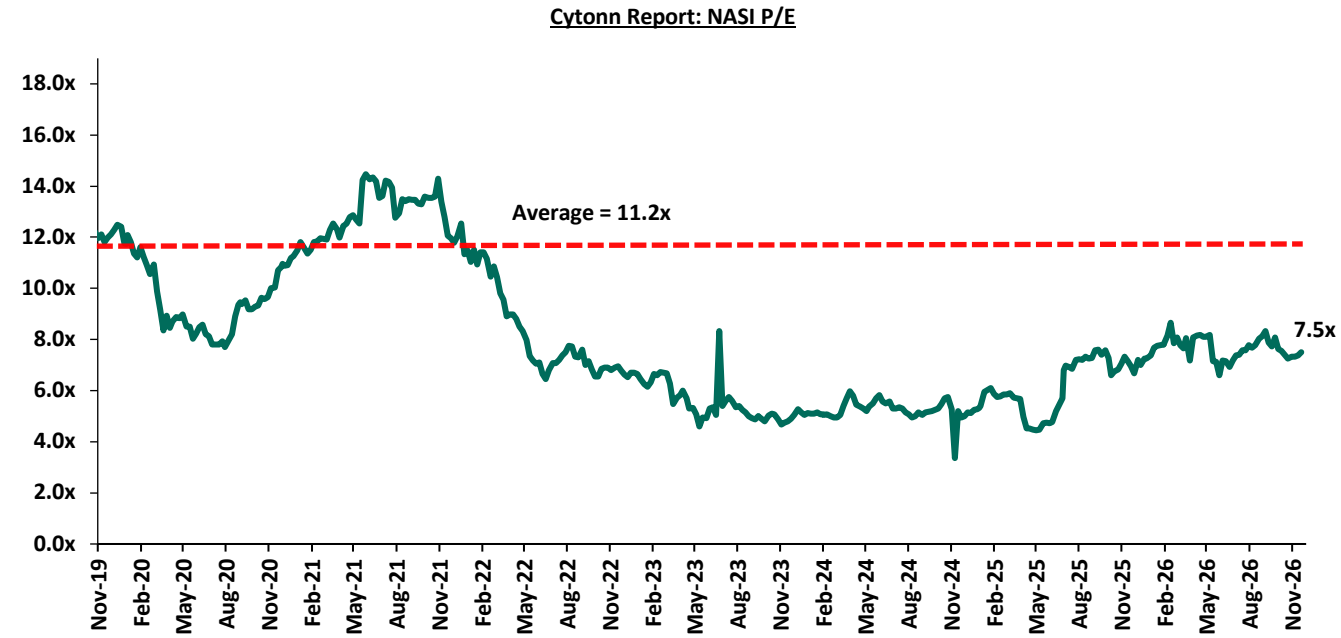
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The market is currently trading at a price to earnings ratio (P/E) of 7.5x, 32.8% below the historical average of 11.2x, and a dividend yield of 6.0%, 1.3% points above the historical average of 4.8%. Key to note, NASI's

PEG ratio currently stands at 0.9x, an indication that the market is slightly undervalued relative to its future growth. A PEG ratio greater than 1.0x indicates the market may be overvalued while a PEG ratio less than 1.0x indicates that the market is undervalued;

The charts below indicate the historical P/E and dividend yields of the market:





Cytonn Report: Equities Universe of Coverage											
Company	Price as at 13/11/2027	Price as at 20/11/2026	w/w change	m/m change	YTD Change	Year Open 2026	Target Price*	Dividend Yield	Upside/ Downside**	P/TBv Multiple	Recommendation
NCBA	88.8	87.3	(1.7%)	(0.9%)	2.6%	85.0	108.9	8.1%	33.0%	1.2x	Buy
KCB Group	89.0	85.8	(3.7%)	(0.3%)	30.4%	65.8	104.4	8.2%	29.9%	0.9x	Buy
Co-op Bank	39.0	38.7	(0.8%)	8.9%	61.7%	23.9	45.3	6.5%	23.7%	1.4x	Buy
ABSA Bank	32.0	31.6	(1.4%)	5.3%	27.0%	299.8	36.8	6.5%	23.3%	1.7x	Buy
Equity Group	100.0	97.5	(2.5%)	2.6%	45.5%	24.9	113.5	5.9%	22.3%	1.3x	Buy
Standard Chartered Bank	308.8	308.3	(0.2%)	1.1%	2.8%	67.0	345.8	10.1%	22.2%	1.9x	Buy
CIC Group	4.6	4.4	(3.5%)	(7.0%)	(2.9%)	197.8	5.1	2.9%	17.7%	1.1x	Accumulate
Family Bank	27.3	26.4	(3.1%)	(2.8%)	46.7%	4.5	29.5	4.5%	16.3%	1.4x	Accumulate
Stanbic Holdings	272.3	279.8	2.8%	7.8%	41.5%	42.8	300.3	8.0%	15.3%	1.6x	Accumulate
I&M Group	83.5	82.5	(1.2%)	1.5%	92.8%	18.0	90.4	4.5%	14.1%	1.3x	Accumulate
Diamond Trust Bank	188.3	187.3	(0.5%)	4.5%	63.2%	114.8	199.5	4.8%	11.4%	0.5x	Accumulate
Jubilee Holdings	405.5	400.0	(1.4%)	0.8%	24.0%	322.5	420.5	3.8%	8.9%	0.6x	Hold
Britam	18.1	18.0	(0.3%)	(0.3%)	98.7%	9.1	18.5	0.0%	2.5%	1.3x	Lighten

*Target Price as per Cytonn Analyst estimates
**Upside/ (Downside) is adjusted for Dividend Yield
***Dividend Yield is calculated using FY'2025 Dividends

Weekly Highlights

I. Equity Bank Q3'2026 Financial Performance

During the week, Equity Group released their Q3'2026 financial results Profit after tax increased by 32.0% to Kshs 71.5 bn in Q3'2026 from Kshs 54.1 bn in Q3'2025:

Balance Sheet Items	Q3'2025	Q3'2026	y/y change
Government Securities	310.4	320.3	3.2%
Net Loans and Advances	859.8	1,007.7	17.2%
Total Assets	**1,817.0**	**2,149.0**	**18.3%**
Customer Deposits	1,345.5	1,583.9	17.7%
Deposits per branch	3.4	3.9	14.8%
Total Liabilities	1,513.8	1,779.3	17.5%
Shareholders' Funds	**288.4**	**350.5**	**21.5%**

Balance Sheet Ratios	Q3'2025	Q3'2026	% points change
Loan to Deposit Ratio	63.9%	63.6%	(0.3%)
Government Securities to Deposits	23.1%	20.2%	(2.8%)
Return on average equity	24.5%	29.1%	4.5%
Return on average assets	3.5%	4.7%	1.2%

Income Statement	Q3'2025	Q3'2026	y/y change
Net Interest Income	93.6	107.7	15.1%
Non-Interest Income	62.7	84.4	34.6%
Total Operating income	**156.3**	**192.0**	**22.9%**
Loan Loss provision	(11.6)	(10.2)	(12.2%)
Total Operating expenses	**(90.7)**	**(102.2)**	**12.7%**
Profit before tax	65.6	89.8	37.0%
Profit after tax	**54.1**	**71.5**	**32.0%**
Core EPS	**13.8**	**18.2**	**31.9%**

Income Statement Ratios	Q3'2025	Q3'2026	y/y change
Yield from interest-earning assets	11.3%	10.5%	(0.8%)
Cost of funding	3.7%	2.8%	(0.9%)
Cost of risk	7.4%	5.3%	(2.1%)
Net Interest Margin	7.9%	8.0%	0.1%
Net Interest Income as % of operating income	59.9%	56.1%	(3.8%)
Non-Funded Income as a % of operating income	40.1%	43.9%	3.8%
Cost to Income Ratio	58.0%	53.2%	(4.8%)
CIR without LLP	50.6%	47.9%	(2.7%)
Cost to Assets	4.4%	4.3%	(0.1%)

Capital Adequacy Ratios	Q3'2025	Q3'2026	% Points Change
Core Capital/Total Liabilities	19.1%	19.8%	0.7%
Minimum Statutory ratio	8.0%	8.0%	0.0%
Excess	**11.1%**	**11.8%**	**0.7%**
Core Capital/Total Risk Weighted Assets	16.6%	18.2%	1.6%
Minimum Statutory ratio	10.5%	10.5%	0.0%
Excess	**6.1%**	**7.7%**	**1.6%**
Total Capital/Total Risk Weighted Assets	18.3%	19.5%	1.2%
Minimum Statutory ratio	14.5%	14.5%	0.0%
Excess	**3.8%**	**5.0%**	**1.2%**
Liquidity Ratio	58.5%	60.1%	1.6%
Minimum Statutory ratio	20.0%	20.0%	0.0%
Excess	**38.5%**	**40.1%**	**1.6%**

Key Take-Outs:

1. **Increased earnings -** Core earnings per share grew by 31.9% to Kshs 18.2, from Kshs 13.8 in Q3'2025, driven by the 22.9% increase in total operating income to Kshs 192.0 bn, from Kshs 156.3 bn in Q3'2025, that outpaced the 12.7% increase in total operating expenses to Kshs 102.2 bn from Kshs 90.7 bn in Q3'2025,
2. **Improved asset quality –** The bank's Asset Quality improved, with Gross NPL ratio decreasing to 10.2% in Q3'2026, from 13.6% in Q3'2025, attributable to a 14.4% decrease in Gross non-performing loans to Kshs 110.5 bn, from Kshs 129.2 bn in Q3'2025, as compared to the 14.3% increase in gross loans to Kshs 1,087.9 bn, from Kshs 951.7 bn recorded in Q3'2025,

3. **Expanded Balance Sheet** - The balance sheet registered an expansion as total assets increased by 18.3% to Kshs 2,149.0 bn in Q3'2026, from Kshs 1,817.0 bn in Q3'2025, mainly attributable to the 17.2% increase in net loans and advances to Kshs 1007.7 bn, from Kshs 859.8 bn in Q3'2025, coupled with a 3.2% increase in government securities to Kshs 320.3 bn, from Kshs 310.4 bn in Q3'2025,
4. **Declaration of dividends -** The Board of Directors did not recommend an interim dividend, consistent with a similar period in Q3'2025**.**

For a more detailed analysis, please see our **Equity Group Q3'2026 Earnings Note**.

II. Family Bank Q3'2026 Financial Performance

During the week, Family Bank released their Q3'2026 financial results Profit after tax increased by 68.7% to Kshs 6.1 bn in Q3'2026:

Balance Sheet Items	Q3'2025 (Kshs bn)	Q3'2026 (Kshs bn)	y/y change
Government Securities	70.7	93.7	32.6%
Net Loans and Advances	103.7	118.2	13.9%
Total Assets	**202.6**	**247.5**	**22.2%**
Customer Deposits	146.8	182.3	24.2%
Deposits per branch	1.5	1.9	24.2%
Total Liabilities	174.3	211.1	21.1%
Shareholders' Funds	**28.3**	**36.4**	**28.9%**

Balance Sheet Ratios	Q3'2025	Q3'2026	% Points change
Loan to Deposit Ratio	70.7%	64.8%	(5.8%)
Government Securities to Deposit ratio	48.1%	51.4%	3.2%
Return on average equity	20.1%	24.3%	4.2%
Return on average assets	2.6%	3.5%	0.9%

Income Statement	Q3'2025	Q3'2026	y/y change
Net Interest Income	10.9	15.0	37.2%
Net non-Interest Income	3.8	3.6	(4.5%)
Total Operating income	**14.7**	**18.6**	**26.5%**
Loan Loss provision	(1.4)	(1.7)	26.8%
Staff Costs	(3.3)	(4.7)	44.0%
Other Operating expenses	(5.6)	(4.9)	(11.8%)
Total Operating expenses	**(10.2)**	**(11.4)**	**11.2%**
Profit before tax	4.5	7.3	61.5%
Profit after tax	**3.6**	**6.1**	**68.7%**
Core EPS	**2.5**	**3.6**	**46.6%**

Income Statement Ratios	Q3'2025	Q3'2026	% Points change
Yield from interest-earning assets	14.4%	14.5%	0.1%
Cost of funding	6.2%	5.0%	(1.2%)

Net Interest Spread	8.3%	9.5%	1.3%
Net Interest Income as % of operating income	74.3%	80.6%	6.3%
Non-Funded Income as a % of operating income	25.7%	19.4%	(6.3%)
Cost to Income Ratio (CIR)	69.5%	61.1%	(8.4%)
CIR without provisions	60.3%	51.8%	(8.5%)
Cost to Assets	4.4%	3.9%	(0.5%)
Net Interest Margin	8.6%	9.9%	1.3%

Capital Adequacy Ratios	Q3'2025	Q3'2026	% Points Change
Core Capital/Total Liabilities	13.3%	14.9%	1.6%
Minimum Statutory ratio	8.0%	8.0%	
Excess	**5.3%**	**6.9%**	**1.6%**
Core Capital/Total Risk Weighted Assets	13.9%	15.5%	1.6%
Minimum Statutory ratio	10.5%	10.5%	
Excess	**3.4%**	**5.0%**	**1.6%**
Total Capital/Total Risk Weighted Assets	17.2%	18.0%	0.8%
Minimum Statutory ratio	14.5%	14.5%	
Excess	**2.7%**	**3.5%**	**0.8%**
Liquidity Ratio	61.0%	61.6%	0.6%
Minimum Statutory ratio	20.0%	20.0%	
Excess	**41.0%**	**41.6%**	**0.6%**

Key Take-Outs:

1. **Increased earnings -** Core earnings per share (EPS) increased by 46.6% to Kshs 3.6 in Q3'2026 from Kshs 2.5 in Q3'2025, driven by the 26.5% growth in total operating income to Kshs 18.6 bn from Kshs 14.7 bn in Q3'2025, but was however weighed down by the 11.2% increase in total operating expenses to Kshs 11.4 bn from Kshs 10.2 bn.
2. **Decline in asset quality –** The bank's asset quality declined, with the gross NPL ratio increasing by 1.0% points to 14.4% in Q3'2026 from 13.4% in Q3'2025, as gross non-performing loans increased by 21.4% to Kshs 18.9 bn in Q3'2026 from Kshs 15.6 bn in Q3'2025, which outpaced the 13.1% increase in gross loans to Kshs 131.2 bn in Q3'2026 from Kshs 116.0 bn in Q3'2025.
3. **Expanded Balance sheet** - The balance sheet registered an expansion as total assets increased by 22.2% to Kshs 247.5 bn in Q3'2026, from Kshs 202.6 bn in Q3'2025, mainly attributable to the 32.6% increase in government securities to Kshs 93.7 bn from Kshs 70.7 bn in Q3'2025 coupled with the 13.9% increase in net loans to Kshs 118.2 bn, from Kshs 103.7 bn in Q3'2025.
4. **Declaration of dividends -** The Board of Directors did not recommend an interim dividend, consistent with a similar period in Q3'2025**.**

For a more detailed analysis, please see our **Family Bank Q3'2026 Earnings Note**.

III. KCB Group Q3'2026 Financial Performance

During the week, KCB released their Q3'2026 financial results, recording a 23.9% increase in profit after tax to Kshs 58.6 bn in Q3'2026, from Kshs 47.3 bn in Q3'2025;

Balance Sheet Items	Q3'2025 (Kshs bn)	Q3'2026 (Kshs bn)	y/y change

Government Securities	333.8	410.3	22.9%
Net Loans and Advances	1,139.9	1,286.8	12.9%
Total Assets	**2,044.5**	**2,359.0**	**15.4%**
Customer Deposits	1,525.8	1,755.2	15.0%
Total Liabilities	1,727.1	1,992.9	15.4%
Shareholders' Funds	**308.5**	**362.0**	**17.3%**

Balance Sheet Ratios	Q3'2025	Q3'2026	% point change
Loan to Deposit Ratio	74.7%	73.3%	(1.4%)
Government Securities to Deposit Ratio	21.9%	23.4%	1.5%
Return on average equity	22.7%	23.8%	1.0%
Return on average assets	3.1%	3.6%	0.5%

Income Statement (Kshs Bn)	Q3'2025 (Kshs bn)	Q3'2026 (Kshs bn)	y/y change
Net Interest Income	104.3	112.9	8.2%
Net non-Interest Income	45.1	54.9	21.8%
Total Operating income	149.4	167.8	12.3%
Loan Loss provision	18.3	16.6	(9.1%)
Staff Costs	30.9	32.9	6.6%
Other Operating expenses	38.2	40.4	5.7%
Total Operating expenses	**87.4**	**89.9**	**2.9%**
Profit before tax	**62.1**	**77.9**	**25.5%**
Profit after tax	**47.3**	**58.6**	**23.9%**
Core EPS	**14.7**	**18.3**	**23.9%**

Income Statement Ratios	Q3'2025	Q3'2026	% points change
Yield from interest-earning assets	12.2%	11.3%	(0.9%)
Cost of funding	4.0%	3.5%	(0.5%)
Net Interest Spread	8.1%	7.8%	(0.3%)
Net Interest Margin	8.4%	8.1%	(0.4%)
Cost of Risk	12.2%	9.9%	(2.3%)
Net Interest Income as % of operating income	69.8%	67.3%	(2.6%)
Non-Funded Income as a % of operating income	30.2%	32.7%	2.6%
Cost to Income Ratio	58.5%	53.6%	(4.9%)
Cost to Income Ratio (without LLP)	46.2%	43.7%	(2.5%)

Capital Adequacy Ratios	Q3'2025	Q3'2026	% points change
Core Capital/Total Liabilities	18.5%	19.0%	0.5%
Minimum Statutory ratio	8.0%	8.0%	0.0%
Excess	**10.5%**	**11.0%**	**0.5%**
Core Capital/Total Risk Weighted Assets	17.0%	18.0%	1.0%
Minimum Statutory ratio	10.5%	10.5%	0.0%
Excess	**6.5%**	**7.5%**	**1.0%**
Total Capital/Total Risk Weighted Assets	19.6%	21.1%	1.5%
Minimum Statutory ratio	14.5%	14.5%	0.0%
Excess	**5.1%**	**6.6%**	**1.5%**

Liquidity Ratio	46.7%	49.7%	3.0%
Minimum Statutory ratio	20.0%	20.0%	0.0%
Excess	**26.7%**	**29.7%**	**3.0%**

Key Take-Outs:

1. **Increased earnings -** Core earnings per share grew by 23.9% to Kshs 18.3, from Kshs 14.7 in Q3'2025, driven by the 12.3% increase in total operating income to Kshs 167.8 bn, from Kshs 149.4 bn in Q3'2025, it was however weighed down by the 2.9% increase in total operating expenses to Kshs 89.9 bn, from Kshs 87.4 bn in Q3'2025,
2. **Improved asset quality –** The bank's Asset Quality improved, with Gross NPL ratio decreasing to 12.8% in Q3'2026, from 17.2% in Q3'2025, attributable to an 11.1% increase in gross loans to Kshs 1,433.7 bn, from Kshs 1,290.7 bn recorded in Q3'2025 and the 17.1% decrease in Gross non-performing loans to Kshs 184.1 bn, from Kshs 222.1 bn in Q3'2025,
3. **Expanded balance sheet** - The balance sheet recorded an expansion as total assets increased by 15.4% to Kshs 2,359.0 bn, from Kshs 2,044.5 bn in Q3'2025, mainly driven by a 12.9% increase in Net loans and advances to Kshs 1,286.8 bn from Kshs 1,139.9 bn, coupled with 22.9% increase in government securities to Kshs 410.3 bn, from Kshs 333.8 bn in Q3'2025.

For a more detailed analysis, please see our **KCB Group Q3'2026 Earnings Note**.

IV. Standard Chartered Q3'2026 Financial Performance

During the week, Standard Chartered Bank released their Q3'2026 financial results, recording a 7.4% increase in profit after tax to Kshs 10.5 bn in Q3'2026, from Kshs 9.8 bn in Q3'2025;

Balance Sheet Items	Q3'2025 (Kshs bn)	Q3'2026 (Kshs bn)	y/y change
Net loans	146.4	179.6	22.7%
Government Securities	106.2	89.7	(15.5%)
Total Assets	**384.4**	**428.5**	**11.5%**
Customer Deposits	283.4	335.1	18.2%
Deposits per Branch	11.3	15.2	34.4%
Total Liabilities	**320.7**	**364.3**	**13.6%**
Shareholders' Funds	**63.8**	**64.2**	**0.7%**

Balance Sheet Ratios	Q3'2025	Q3'2026	% points change
Loan to deposit ratio	51.7%	53.6%	2.0%
Government securities to deposit ratio	37.5%	26.8%	(10.7%)
Return on Average Equity	21.5%	30.3%	8.8%
Return on Average Assets	3.7%	4.8%	1.1%

Income Statement	Q3'2025 (Kshs bn)	Q3'2026 (Kshs bn)	y/y change
Net Interest Income	22.3	18.2	(18.4%)
Net non-Interest Income	10.2	12.4	22.0%
Total Operating income	**32.4**	**30.6**	**(5.8%)**
Loan Loss provision	1.7	0.7	(61.6%)
Staff Costs	9.1	7.5	(18.1%)
Other Operating expenses	8.4	7.6	(9.6%)
Total Operating expenses	**19.2**	**15.7**	**(18.3%)**
Profit before tax	13.2	14.9	12.5%
Profit after tax	**9.8**	**10.5**	**7.4%**
Core EPS	**25.9**	**27.8**	**7.4%**

Income Statement Ratios	Q3'2025	Q3'2026	% points change
Yield from interest-earning assets	10.5%	8.1%	(2.4%)
Cost of funding	1.4%	1.3%	(0.1%)
Net Interest Spread	9.1%	6.8%	(2.2%)
Net Interest Margin	9.2%	6.9%	(2.3%)
Cost of Risk	5.4%	2.2%	(3.2%)
Net Interest Income as % of operating income	68.7%	59.5%	(9.2%)
Non-Funded Income as a % of operating income	31.3%	40.5%	9.2%
Cost to Income Ratio	59.3%	51.4%	(7.9%)
Cost to Income Ratio without LLP	53.9%	49.2%	(4.7%)
Cost to Assets	4.6%	3.7%	(0.9%)

Capital Adequacy Ratios	Q3'2025	Q3'2026	% points change
Core Capital/Total Liabilities	20.2%	17.4%	(2.9%)
Minimum Statutory ratio	8.0%	8.0%	0.0%
Excess	**12.2%**	**9.4%**	(2.9%)
Core Capital/Total Risk Weighted Assets	20.6%	18.0%	(2.6%)
Minimum Statutory ratio	10.5%	10.5%	0.0%
Excess	**10.1%**	**7.5%**	**(2.6%)**
Total Capital/Total Risk Weighted Assets	20.6%	18.1%	(2.5%)
Minimum Statutory ratio	14.5%	14.5%	0.0%

Excess	**6.1%**	**3.6%**	**(2.5%)**
Liquidity Ratio	66.6%	61.8%	(4.8%)
Minimum Statutory ratio	20.0%	20.0%	0.0%
Excess	**46.6%**	**41.8%**	**(4.8%)**

Key Take-Outs:

1. **Increased earnings –** Core earnings per share increased by 7.4% to Kshs 27.8 in Q3'2026, from Kshs 25.9 in Q3'2025, driven by the 18.3% decrease in Total Operating expenses to Kshs 15.7 bn in Q3'2026, from Kshs 19.2 bn in Q3'2025 however, it was weighed down by a 5.8% decrease in Total Operating income to Kshs 30.6 bn in Q3'2026, from Kshs 32.4 bn in Q3'2025,
2. **Improved asset quality –** The bank's Asset Quality improved, with Gross NPL ratio decreasing by 1.2% points to 4.7% in Q3'2026, from 5.9% in Q3'2025, attributable to the 2.8% decrease in gross non-performing loans to Kshs 8.9 bn, from Kshs 9.1 bn in Q3'2025, coupled with a 21.4% increase in gross loans to Kshs 187.2 bn, from Kshs 154.2 bn recorded in Q3'2025, and,

For a more detailed analysis, please see our **Standard Chartered Bank Q3'2026 Earnings Note**.

V. DTB Q3'2026 Financial Performance

During the week, DTB Bank released their Q3'2026 financial results, recording a 25.8% increase in profit after tax to Kshs 10.5 bn in Q3'2026, from Kshs 8.4 bn in Q3'2025;

Balance Sheet Items	Q3'2025	Q3'2026	y/y change
Government Securities	159.3	188.0	18.0%
Net Loans and Advances	296.4	328.5	10.8%
Total Assets	**641.8**	**680.2**	**6.0%**
Customer Deposits	510.3	532.6	4.4%
Deposits/ Branch	3.2	3.4	8.4%
Total Liabilities	530.5	563.5	6.2%
Shareholders' Funds	**99.4**	**104.2**	**4.8%**

Balance Sheet Ratios	Q3'2025	Q3'2026	% Points change
Loan to Deposit Ratio	58.1%	61.7%	3.6%
Government Securities to Deposit ratio	31.2%	35.3%	4.1%
Return on average equity	11.2%	12.6%	1.4%
Return on average assets	1.6%	1.9%	0.4%

Income Statement	Q3'2025	Q3'2026	y/y change
Net Interest Income	25.1	30.3	20.5%
Net non-Interest Income	9.1	9.5	4.4%
Total Operating income	**34.3**	**39.8**	**16.2%**
Loan Loss provision	5.7	7.2	27.0%
Staff Costs	7.7	8.6	11.0%

Other Operating expenses	9.7	9.8	1.7%
Total Operating expenses	**23.1**	**25.6**	**11.0%**
Profit before tax	**11.2**	**14.2**	**26.4%**
Profit after tax	**8.4**	**10.5**	**25.8%**
Core EPS	**29.9**	**37.6**	**25.8%**

Income Statement Ratios	Q3'2025	Q3'2026	% points change
Yield from interest-earning assets	10.4%	11.5%	1.1%
Cost of funding	4.4%	4.7%	0.2%
Net Interest Spread	6.0%	6.8%	0.9%
Net Interest Income as % of operating income	73.3%	76.0%	2.7%
Non-Funded Income as a % of operating income	26.7%	24.0%	(2.7%)
Cost to Income Ratio (CIR)	67.3%	64.3%	(3.0%)
CIR without provisions	50.8%	46.2%	(4.5%)
Cost to Assets	5.2%	5.3%	0.2%
Net Interest Margin	6.2%	7.1%	0.9%

Capital Adequacy Ratios	Q3'2025	Q3'2026	% Points Change
Core Capital/Total Liabilities	15.3%	16.0%	0.7%
Minimum Statutory ratio	8.0%	8.0%	
Excess	**7.3%**	**8.0%**	**0.7%**
Core Capital/Total Risk Weighted Assets	14.8%	14.9%	0.1%
Minimum Statutory ratio	10.5%	10.5%	
Excess	**4.3%**	**4.4%**	**0.1%**
Total Capital/Total Risk Weighted Assets	16.2%	16.1%	(0.1%)
Minimum Statutory ratio	14.5%	14.5%	
Excess	**1.7%**	**1.6%**	**(0.1%)**
Liquidity Ratio	60.1%	55.4%	(4.7%)
Minimum Statutory ratio	20.0%	20.0%	
Excess	**40.1%**	**35.4%**	**(4.7%)**

Key Take-Outs:

1. **Increased earnings** - Core earnings per share (EPS) increased by 25.8% to Kshs 37.6 in Q3'2026 from Kshs 29.9 in Q3'2025, driven by the 16.2% growth in total operating income to Kshs 39.8 bn from Kshs 34.3 bn in Q3'2025, but was weighed down by the 11.0% increase in total operating expenses to Kshs 25.6 bn from Kshs 23.1 bn.
2. **Improved asset quality** - The bank's asset quality was broadly stable, with the gross NPL ratio declining by 0.1% points to 12.3% in Q3'2026 from 12.4% in Q3'2025, as gross loans increased by 12.0% to Kshs 354.9 bn in Q3'2026 from Kshs 316.9 bn in Q3'2025, outpacing the 11.0% increase in gross non-performing loans to Kshs 43.7 bn in Q3'2026 from Kshs 39.4 bn in Q3'2025.
3. **Expanded Balance sheet** - The balance sheet recorded an expansion, with total assets increasing by 6.0% to Kshs 680.2 bn in Q3'2026 from Kshs 641.8 bn in Q3'2025, driven by an 18.0% growth in government securities holdings to Kshs 188.0 bn in Q3'2026 from Kshs 159.3 bn in Q3'2025, coupled with a 10.8% increase in net loans and advances to Kshs 328.5 bn in Q3'2026 from Kshs 296.4 bn in Q3'2025.

For a more detailed analysis, please see our **DTB Bank Q3'2026 Earnings Note**.

VI. Stanbic Bank Q3'2026 Financial Performance

During the week, Stanbic Bank released their Q3'2026 financial results, recording a 10.0% increase in profit after tax to Kshs 10.3bn in Q3'2026, from Kshs 9.4 bn in Q3'2025;

Balance Sheet	Q3'2025 (Kshs bn)	Q3'2026 (Kshs bn)	y/y change
Net Loans and Advances to Customers	253.1	294.3	16.2%
Kenya Government Securities	100.4	127.8	27.2%
Total Assets	**476.2**	**565.2**	**18.7%**
Customer Deposits	343.9	414.6	20.6%
Deposits Per Branch	11.5	13.8	20.6%
Total Liabilities	**410.3**	**493.2**	20.2%
Shareholders' Funds	**65.9**	**72.1**	9.3%

Balance sheet Ratios	Q3'2025	Q3'2026	% point change
Loan to Deposit ratio	73.6%	71.0%	(2.6%)
Government securities to deposits ratio	29.2%	30.8%	1.6%
Return on average equity	19.9%	21.2%	1.3%
Return on average assets	2.8%	2.8%	0.1%

Income Statement	Q3'2025 (Kshs bn)	Q3'2026 (Kshs bn)	y/y change
Net interest Income	20.5	23.0	12.1%
Non-interest income	7.8	7.3	(6.2%)
Total Operating income	**28.3**	**30.3**	**7.1%**
Loan loss provision	(2.5)	(1.7)	(32.8%)
Other Operating expenses	(12.9)	(14.1)	9.3%
Total Operating expenses	**(15.4)**	**(15.8)**	**2.5%**
Profit before tax	12.9	14.5	12.5%
Profit after tax	**9.4**	**10.3**	**10.0%**
Core EPS	**23.7**	**26.1**	**10.0%**

Income Statement Ratios	Q3'2025	Q3'2026	% points change
Yield from interest-earning assets	11.1%	10.1%	(1.0%)
Cost of funding	4.5%	3.7%	(0.8%)
Net Interest Margin	6.3%	5.8%	(0.5%)
Net Interest Income as % of operating income	72.4%	75.8%	3.4%
Non-Funded Income as a % of operating income	27.6%	24.2%	(3.4%)
Cost to Income Ratio	54.5%	52.1%	(2.3%)
CIR without LLP	45.6%	46.6%	1.0%

Cost to Assets	2.7%	2.5%	(0.2%)

Capital Adequacy Ratios	Q3'2025	Q3'2026	% points change
Core Capital/Total Liabilities	17.3%	16.2%	(1.1%)
Minimum Statutory ratio	8.0%	8.0%	0.0%
Excess	**9.3%**	**8.2%**	**(1.1%)**
Core Capital/Total Risk Weighted Assets	14.3%	13.8%	(0.5%)
Minimum Statutory ratio	10.5%	10.5%	0.0%
Excess	**3.8%**	**3.3%**	**(0.5%)**
Total Capital/Total Risk Weighted Assets	17.9%	16.5%	(1.4%)
Minimum Statutory ratio	14.5%	14.5%	0.0%
Excess	**3.4%**	**2.0%**	**(1.4%)**
Liquidity Ratio	49.0%	50.8%	1.8%
Minimum Statutory ratio	20.0%	20.0%	0.0%
Excess	**29.0%**	**30.8%**	**1.8%**

Key Take-Outs:

1. **Increased earnings -** Core earnings per share increased by 10.0% to Kshs 26.1 from Kshs 23.7 recorded in Q3'2025, mainly driven by the 7.1% increase in total operating income to Kshs 30.3 bn, from Kshs 28.3 bn in Q3'2025, which outpaced the 2.5% increase in total operating expense to Kshs 15.8 bn, from Kshs 15.4 bn in Q3'2025.
2. **Improved asset quality –** The bank's Asset Quality improved, with Gross NPL ratio decreasing by 1.8% points to 6.6% in Q3'2026, from 8.4% in Q3'2025, attributable to a 9.7% decrease in Gross non-performing loans to Kshs 20.6 bn, from Kshs 22.8 bn in Q3'2025, relative to the 14.7% increase in gross loans to Kshs 312.1 bn, from Kshs 272.1 bn recorded in Q3'2025,
3. **Expanded Balance sheet** - The balance sheet recorded an expansion as total assets increased by 18.7% to Kshs 565.2 bn, from Kshs 476.2 bn in Q3'2025, mainly driven by a 16.2% increase in net loans and advances to customers to Kshs 294.3 bn, from 253.1 bn in Q3'2025. Government securities increased by 27.2% to Kshs 127.8 bn, from Kshs 100.4 bn in Q3'2025.

For a more detailed analysis, please see our **Stanbic Bank Q3'2026 Earnings Note**.

Summary Performance

The table below shows the performance of listed banks that have released their Q3'2026 results using several metrics;

		Cytonn Report: Listed Banks Performance in Q3'2026													
Bank	Core EPS Growth	Interest Income Growth	Interest Expense Growth	Net Interest Income Growth	Net Interest Margin	Non-Funded Income Growth	NFI to Total Operating Income	Growth in Total Fees & Commissions	Deposit Growth	Growth in Government Securities	Loan to Deposit Ratio	Loan Growth	Return on Average Equity	COF	YIEA
Family Bank	46.6%	24.3%	3.4%	37.2%	9.9%	(4.5%)	19.4%	7.6%	24.2%	32.6%	64.8%	13.9%	24.3%	5.0%	14.5%
Equity Group	32.0%	8.4%	(9.0%)	15.1%	8.0%	34.6%	43.9%	24.3%	17.7%	3.2%	63.6%	17.2%	29.1%	2.8%	10.5%
Co-operative Bank	27.2%	7.0%	(4.4%)	12.7%	8.9%	9.2%	32.1%	11.8%	15.4%	6.1%	78.5%	22.2%	20.7%	4.4%	12.8%

Diamond Trust Bank	25.8%	8.6%	(6.4%)	20.5%	7.1%	4.4%	24.0%	0.8%	4.4%	18.0%	61.7%	10.8%	12.6%	4.7%	11.5%
KCB Group	23.9%	6.2%	1.7%	8.2%	8.1%	21.8%	32.7%	17.4%	15.0%	22.9%	73.3%	12.9%	23.8%	3.5%	11.3%
Stanbic Group	10.0%	10.5%	7.7%	12.1%	5.8%	(6.2%)	24.2%	16.9%	20.6%	27.2%	71.0%	16.2%	21.2%	3.7%	10.1%
Standard Chartered Bank	7.4%	(15.1%)	11.1%	(18.4%)	6.9%	22.0%	40.5%	25.0%	18.2%	(15.5%)	53.6%	22.7%	30.3%	1.3%	8.1%
Q3'2026 Mkt Weighted Average*	**25.0%**	**6.1%**	**(1.6%)**	**10.5%**	**7.9%**	**19.0%**	**35.2%**	**18.1%**	**16.6%**	**10.4%**	**68.3%**	**17.2%**	**24.8%**	**3.4%**	**11.0%**
Q3'2025 Mkt Weighted Average*	**7.8%**	**(1.8%)**	**(20.0%)**	**12.4%**	**8.3%**	**(3.3%)**	**32.7%**	**4.3%**	**3.9%**	**31.8%**	**68.4%**	**5.4%**	**21.4%**	**4.1%**	**12.0%**

*Market cap weighted as at 21/11/2026
**Market cap weighted as at 28/11/2025

Key take-outs from the table include:

i. The listed banks recorded a 25.0% weighted average growth in core Earnings per Share (EPS) in Q3'2026, compared to the weighted average growth of 7.8% in Q3'2025,
ii. Interest income recorded a weighted average increase of 6.1% in Q3'2026, compared to the 1.8% decline recorded in Q3'2025. Interest expenses recorded a market-weighted average decline of 1.6% in Q3'2026, compared to the 20.0% decline in Q3'2025,
iii. The banks' net interest income recorded a weighted average growth of 10.5% in Q3'2026, lower than the 12.4% growth recorded over a similar period in 2025, while non-funded income increased by 19.0% in Q3'2026 compared to the 3.3% decline recorded in Q3'2025, and,
iv. The Banks recorded a weighted average deposit growth of 16.6% in Q3'2026, compared to the market-weighted average deposit growth of 3.9% in Q3'2025.

Asset Quality

The table below shows the asset quality of listed banks that have released their Q3'2026 results using NPL ratio and NPL coverage:

Bank	Q3'2026 NPL Ratio*	Q3'2025 NPL Ratio**	% point change in NPL Ratio	Q3'2026 NPL Coverage*	Q3'2025 NPL Coverage**	% point change in NPL Coverage
KCB Group	12.8%	17.2%	(4.4%)	79.8%	67.9%	11.9%
Co-operative Bank	13.1%	17.3%	(4.2%)	70.8%	63.7%	7.2%
Equity Group	10.2%	13.6%	(3.4%)	72.5%	71.1%	1.3%
Stanbic Holdings	6.6%	8.4%	(1.8%)	86.6%	83.2%	3.4%
Standard Chartered Bank	4.7%	5.9%	(1.2%)	85.3%	85.1%	0.2%
Diamond Trust Bank	12.3%	12.4%	(0.1%)	60.4%	52.1%	8.2%
Family Bank	14.4%	13.4%	1.0%	68.7%	78.7%	(10.1%)

Mkt Weighted Average*	**10.7%**	**13.8%**	**(3.1%)**	**75.7%**	**67.8%**	**8.0%**
*Market Cap weighted as at 21/11/2026						

Key take-outs from the table include;

I. Asset quality for the listed banks improved during Q3'2026, with the market-weighted average NPL ratio decreasing by 3.1% points to 10.7%, from 13.8% in Q3'2025. The improvement was supported by the 4.4% points, 4.2% points and 3.4% points decrease NPL ratios from KCB, Cooperative and Equity Group respectively. The performance was however weighed down by 1.0% points increase in NPL ratio from Family Bank.

II. Market-weighted average NPL coverage increased by 8.0% points to 75.7% in Q3'2026 from 67.8% recorded in Q3'2025. The performance was supported by increases in coverage by individual banks such as KCB Group by 11.9% points, DTB Bank by 8.2% points and Cooperative by 7.2% points. The performance was however weighed down by decrease in coverage by Family Bank by 10.1% points.

VII. CMA Approval of Extended Trading Hours

During the week, the NSE announced that it will extend its daily trading session by one hour, to 4:00 pm from the current 3:00 pm, effective 4th January 2027. The change applies to the equities, fixed income and derivatives markets, which currently trade between 9:00 am and 3:00 pm. This is the first adjustment to trading hours since February 2008, when the session was increased from three hours to the current six. The exchange applied to the Capital Markets Authority (CMA) for the additional hour earlier this year, citing the need to align its sessions more closely with the European, US and West African markets, which open later due to time zone differences with Kenya. The NSE will have a runway of nearly seven weeks between approval and implementation, allowing time for operational preparation and stakeholder sensitisation.

The NSE positioned the extension as part of a broader transformation programme aimed at ranking among the world's leading exchanges, rather than a standalone operational change. It follows two prior reforms: the removal of the 100-share minimum trading requirement in August 2025, which collapsed the odd lots board into the normal board, and the rollout of digital investment channels such as Ziidi Trader. Both were targeted at lowering barriers to retail participation. The NSE tied the reforms to a specific target of 9.0 mn active retail investors by 2029, with the longer trading session framed as one input toward that goal.

We expect the additional hour to support liquidity and visibility among foreign investors, as the NSE will now be open for longer within the trading hours of their home markets. The alignment with the closing hours of most banks should also benefit local investors, by providing a longer window to trade and fund their positions. That said, we think the extension will need to be matched by deeper retail participation and a wider product offering for the gains in liquidity to be sustained.

We maintain a "cautiously optimistic" short-term outlook supported primarily earnings-led attractive valuations, despite heightened geopolitical risks such as Iran war that may weigh on investor sentiment, and, "neutral" in the long term as persistent foreign investor outflows continue to constrain market liquidity and limit broad-based market re-rating. With the market currently trading at a discount to its future growth (PEG Ratio at 0.9x), where performance will be driven by company-specific

fundamentals rather than general market direction, we believe that investors should reposition towards value stocks exhibiting strong earnings growth, attractive dividend yields, solid balance sheets, sustainable competitive advantages and trading at compelling discounts to their intrinsic value. While foreign investor sell-offs are expected to continue exerting pressure in the near term, we believe this will create selective entry opportunities for long-term investors.

Real Estate

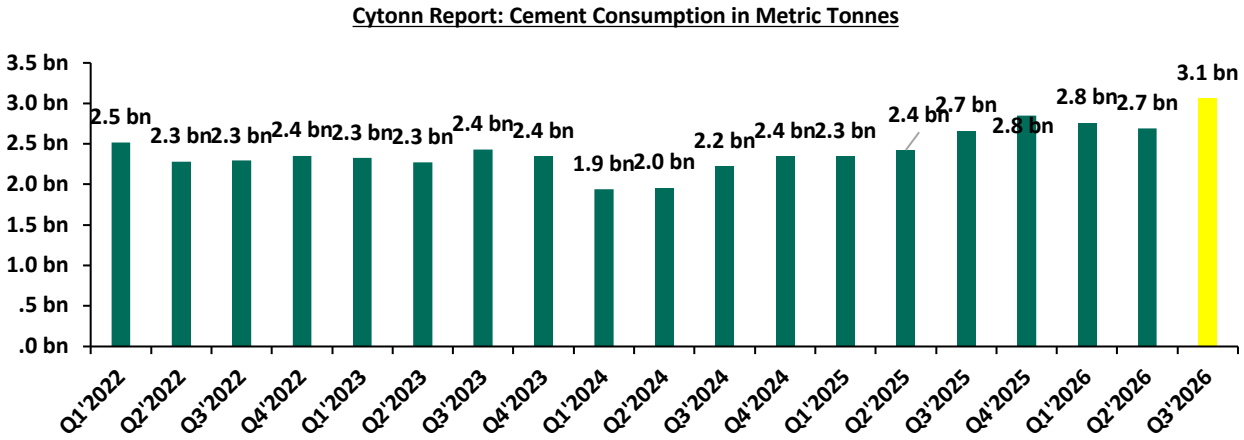
I. Industry Report

a) September Leading Economic Indicators (LEI)

During the week, the Kenya National Bureau of Statistics (KNBS) released the Leading Economic Indicators (LEI) September 2026 Report, which highlighted the performance of major economic indicators. The key highlights related to the Real Estate sector include:

i. **Cement consumption:** in Q3'2026, total cement consumption increased by 15.1% y/y to 3.1 mn metric tonnes in Q3'2026 from 2.7 mn metric tonnes in Q3'2025. On a quarter-on-quarter basis, consumption increased by 13.9% q/q to 3.1 mn metric tonnes in Q3'2026 from 2.7 mn metric tonnes in Q2'2026. The sustained y/y and q/q expansion was anchored by: (i) continued private sector construction activity in urban hubs such as Nairobi, Mombasa and Kisumu, (ii) government-led infrastructure investments under the Bottom-Up Economic Transformation Agenda (BETA), including roads, affordable housing, water and sanitation projects and (iii) public works initiatives in rural and semi urban areas, which both support livelihoods and expand critical infrastructure.

The chart below shows cement consumption in metric tonnes in Kenya between Q1'2022 and Q3'2026;

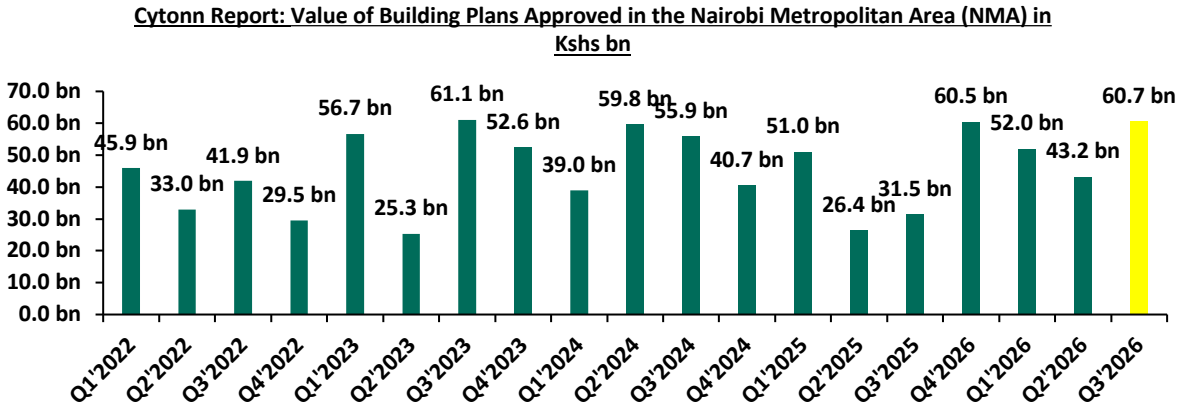


Source: Kenya Bureau of Statistics (KNBS)

ii. **Building plans:** In Q3'2026, the value of building plans approved in Nairobi City County increased by 92.6% y/y to Kshs 60.7 bn in Q3'2026 from Kshs 31.5 bn in Q3'2025. On a quarter-on-quarter basis, approvals increased by 40.5% q/q to Kshs 60.7 bn in Q3'2026 from Kshs 43.2 bn in Q2'2026. The strong y/y and quarterly expansion reflects ongoing recovery and developer confidence in the real estate and construction sector driven by: (i) improved demand for residential and commercial developments, (ii) eased lending rates by financial institutions due to the consistent maintaining of the Central Bank Rate (CBR), which stands at 8.75%, enabling more developers to initiate and submit construction projects for approval and (iii) the ongoing digitization and streamlining of the development approval process

by the Nairobi City County Government, which has improved efficiency, reduced approval timelines, and encouraged more developers to formally submit building plans.

The chart below shows the building plans approved in billions in Kenya between Q1'2022 and Q3'2026;



Source: Kenya Bureau of Statistics (KNBS)

II. Infrastructure Sector

a. Parliamentary Committee endorses NSSF equity stake in the Rironi-Mau Summit Highway PPP

During the week, the National Social Security Fund (NSSF) confirmed that the National Assembly's Departmental Committee on Social Protection formally endorsed the Fund's equity investment in the 233-kilometre Rironi-Mau Summit Highway Public-Private Partnership (PPP) project following an inspection tour on November 16, 2026. Physical construction along the 81-kilometre Rironi-Naivasha-Gilgil stretch, co-developed by NSSF and China Road and Bridge Corporation (CRBC),has reached 40.0% completion, having increased by 15.0% points to 40.0% in November 2026 from 25.0% in June 2026, as documented in the National Treasury's 5th Annual Report on the State of Public Private Partnerships in Kenya (FY 2025/26). The contractors project that the Rironi-Naivasha stretch will open to traffic by December 2026, with the entire Rironi-Naivasha-Gilgil segment becoming usable by March 2027 ahead of the full 233-kilometre corridor's scheduled completion in June 2027.

The three-segment highway upgrade is structured on a 25.0% equity and 75.0% ring-fenced project-level debt financing model, under which NSSF contributes 40.0% of total equity in exchange for 40.0% of net toll collections over the 30-year concession (with CRBC holding 60.0%) at a baseline KeNHA tariff of Kshs 8.0 per km. This long duration, inflation hedged allocation aligns with broader national infrastructure mobilization trends reported by the Public Private Partnerships Directorate, where total private capital mobilized under Kenya's PPP framework increased by 35.2% to Kshs 196.0 bn in FY 2025/26 from Kshs 145.0 bn in FY 2024/25.

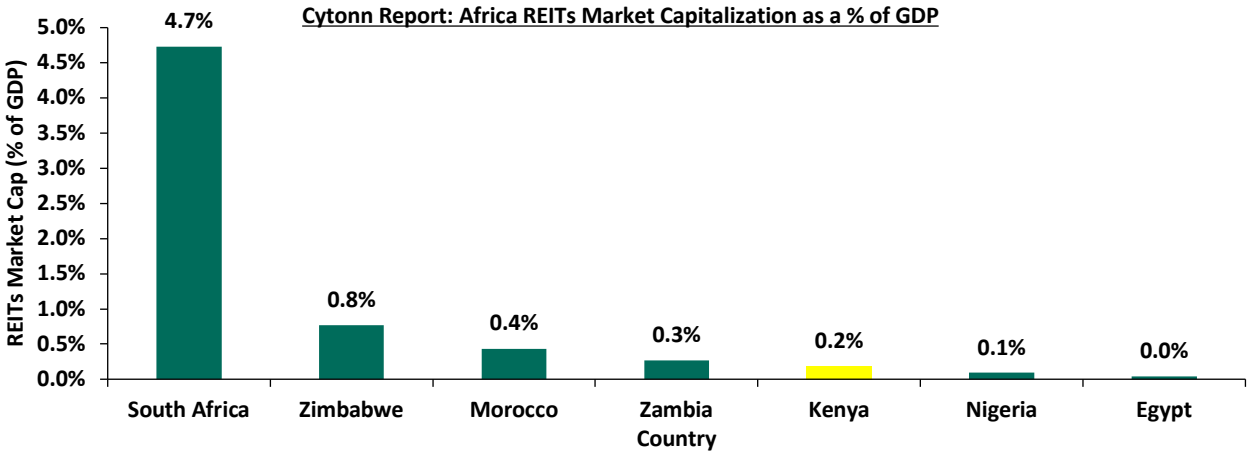
Going forward, we expect parliamentary endorsement of the NSSF transaction to lower governance and political friction for domestic pension funds and institutional investors seeking direct equity participation in large scale infrastructure and real estate PPPs, though senior project debt service will take first claim on early toll cash flows before equity distributions commence. For the real estate sector, the accelerated delivery of the Rironi-Naivasha-Gilgil dual carriageway between December 2026 and March 2027 followed by full corridor completion to Mau Summit in June 2027 will substantially compress transit times and logistics costs along the Northern Corridor. We anticipate this enhanced connectivity to catalyse industrial warehousing absorption, cold-chain logistics hubs, hospitality developments and residential land appreciation across satellite nodes in Limuru, Mai Mahiu, Naivasha, Gilgil and Nakuru, while reinforcing institutional capital appetite for long-term, yield-generating infrastructure and commercial real estate assets

III. Real Estate Investments Trusts

a. Kenya ranks fourth in Africa's REIT market amid structural liquidity and institutional allocation hurdles

During the week, the Fortren & Company Africa Real Estate Investment Trust (REIT) Report (September 2026), alongside regulatory filings from the Capital Markets Authority (CMA) and the REITs Association of Kenya (RAK), positioned Kenya as Africa's fourth-largest REIT market with a total market capitalization of USD 247.6 mn (Kshs 32.2 bn), trailing South Africa at USD 18,937.9 mn, Morocco at USD 667.4 mn and Zimbabwe at USD 270.9 mn, while ranking ahead of Nigeria at USD 233.3 mn , Egypt at USD 161.7 mn and Zambia at USD 78.1 mn. Across the continent, Africa's 49 operational REITs hold an asset value of USD 30.0 bn and a combined market capitalization of USD 21.0 bn.

The Chart below shows Africa REITs Market Capitalization (in USD mn) and Market Cap as a % of GDP as of September 2026;



Source: Fortren & Company Africa REIT Report, IMF World Economic Outlook and Cytonn research

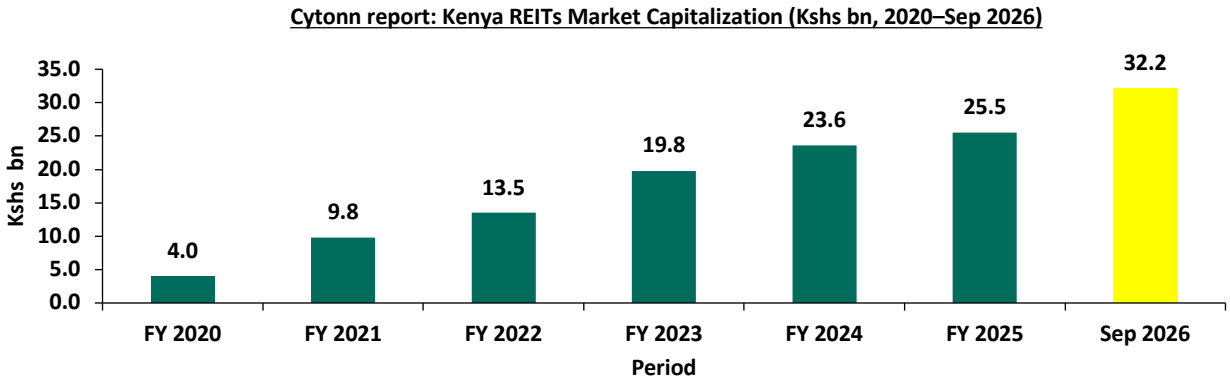
The table below shows Africa REITs Market Capitalization (in USD mn) and Market Cap as a % of GDP as of September 2026;

Cytonn Report: Africa REITs Market Capitalization and Share of GDP (September 2026)				
Rank	**Country**	**REITs Market Cap (USD bn)**	**Nominal GDP (USD bn)**	**REITs Market Cap as a % of GDP**
1	South Africa	18.9	400.3	**4.7%**
2	Zimbabwe	0.3	35.2	**0.8%**
3	Morocco	0.7	155.3	**0.4%**
4	Zambia	0.1	29.8	**0.3%**
5	Kenya	0.3	131.7	**0.2%**
6	Nigeria	0.2	252.7	**0.1%**
7	Egypt	0.2	380.0	**0.0%**

Source: Fortren & Company Africa REIT Report, IMF World Economic Outlook and Cytonn research

Domestically, the Capital Markets Authority (CMA) Capital Markets Soundness Report and the Fortren & Company Africa Real Estate Investment Trust (REIT) Report, indicates that the Kenya's REIT market capitalization increased by 8.0% to Kshs 25.5 bn in FY 2025 from Kshs 23.6 bn in FY 2024, expanding from Kshs 4.0 bn in FY 2020, before further capital raises in 2026 lifted sector valuation toward Kshs 32.2 bn following the March 2026 listing of East Africa's first USD-denominated industrial REIT, ALP Industrial REIT and the June 2026 listing of TRIFIC Green USD I-REIT which raised USD 30.8 mn.

The Chart below shows Kenya REITs Market Capitalization over a five-year period from FY 2020 – SEP 2026;



Source: Capital Markets Authority (CMA), REITs Association of Kenya (RAK)

One of the major reasons as to why Kenya has been overtaken by newer regional entrants, such as Morocco which was established in 2018 and Zimbabwe established in 2019, despite pioneering East Africa's REIT framework in 2013 alongside South Africa is the stark divergence in domestic institutional pension backing. Whereas South African pension funds have committed up to USD 11.3 bn to anchor market depth and secondary liquidity, the Retirement Benefits Authority (RBA) Industry Brief as at June 2026 reported that while total Kenyan pension assets increased by 25.1% to Kshs 3.2 tn in June 2026 from Kshs 2.5 tn in June 2025 and pension allocations to REITs increased by 36.8% to Kshs 19.7 bn in June 2026 from Kshs 14.4 bn in June 2025, REITs still account for only 0.6% of total Kenyan pension industry assets.

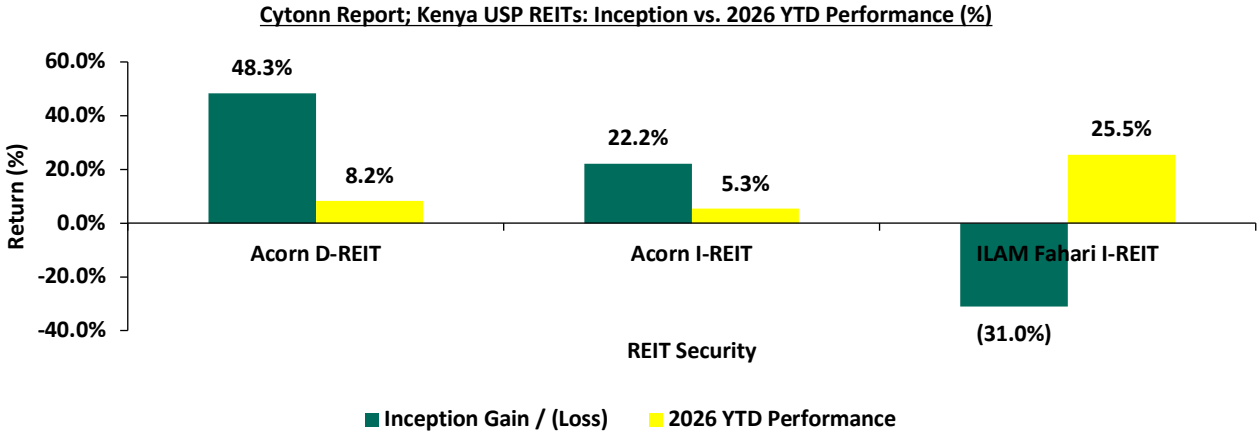
Going forward, we expect the ongoing monetary easing cycle, marked by the Central Bank of Kenya maintaining the Central Bank Rate to 8.75% in 2026 and compressing 91-day to 364-day Treasury bill yields into the 8.8%-9.0% range to gradually reduce the return advantage of risk free government paper and redirect institutional and high networth capital toward income generating REITs. For the broader Real Estate and capital markets sectors, the debut of USD denominated, sector specific vehicles such as the industrial logistics via ALP REIT and green commercial SEZ offices via TRIFIC Green I-REIT provides developers with a viable, tax efficient capital recycling mechanism that mitigates shilling currency risk and high commercial bank borrowing rates (averaging 14.7% in 2026). However, unlocking large scale capital inflows will ultimately hinge on Parliament and the RBA introducing minimum mandatory pension fund allocation thresholds for listed real estate securities, alongside enhanced secondary market making on the NSE Main Market and Unquoted Securities Platform (USP) to resolve exit liquidity constraints.

b. REITs Weekly Performance

On the Nairobi Securities Exchange (NSE) Unquoted Securities Platform (USP), Acorn D-REIT and Acorn I-REIT traded at Kshs 29.7 and Kshs 24.4 per unit, respectively, as at 20th November 2026. On a Year-to-Date (YTD) basis, Acorn D-REIT unit prices increased by 8.2% to Kshs 29.7 as at 20th November 2026 from Kshs 27.4 as at 31st December 2025 (and increased by 9.2% y/y from Kshs 27.2 as at 20th November 2025), representing a cumulative 48.3% gain from its Kshs 20.0 inception price. Similarly, Acorn I-REIT unit prices increased by 5.3% YTD to Kshs 24.4 as at 20th November 2026 from Kshs 23.2 as at 31st December 2025 (and increased by 6.1% y/y from Kshs 23.0 as at 20th November 2025), reflecting a 22.2% gain from its Kshs

20.0 inception price. Meanwhile, ILAM Fahari I-REIT closed at Kshs 13.8 per unit as at 20th November 2026; although this represents a 31.0% loss from its Kshs 20.0 inception price, its unit price increased by 25.5% YTD to Kshs 13.8 as at 20th November 2026 from Kshs 11.0 as at 31st December 2025 (and increased by 23.2% y/y from Kshs 11.2 as at 20th November 2025). There were no volumes traded across the three USP REITs during the week, while on the NSE Main Market, newly listed TRIFIC Green USD I-REIT and ALP Industrial REIT continue to broaden the listed real estate universe alongside LAPTRUST Imara I-REIT. There were no volumes traded during the week.

The Chart Below shows the Kenya USP REITs Inception and YTD Performance in %



Source: Nairobi Securities Exchange (NSE) USP Market Statistics

Despite the YTD gains in USP REIT prices, the growth of Kenya's REIT market continues to be constrained by several challenges, including:

i. Insufficient understanding of the investment instrument among investors leading to a slower uptake of REIT products,

ii. Lengthy approval processes for REIT creation,

iii. High minimum capital requirements of Kshs 100.0 mn for REIT trustees compared to Kshs 10.0 mn for pension funds Trustees, essentially limiting the licensed REIT Trustee to banks only,

iv. The rigidity of choice between either a D-REIT or I-REIT forces managers to form two REITs, rather than having one Hybrid REIT that can allocate between development and income earning properties

v. Limiting the type of legal entity that can form a REIT to only a trust company, as opposed to allowing other entities such as partnerships, and companies,

vi. We need to give time before REITs are required to list – they would be allowed to stay private for a few years before the requirement to list given that not all companies may be comfortable with listing on day one, and,

vii. Minimum subscription amounts or offer parcels set at Kshs 0.1 mn for D-REITs and Kshs 5.0 mn for restricted I-REITs. The significant capital requirements still make REITs relatively inaccessible to smaller retail investors compared to other investment vehicles like unit trusts or government bonds, all of which continue to limit the performance of Kenyan REITs.

We expect the performance of Kenya's Real Estate sector to remain resilient, supported by several factors, including: i) strong construction momentum, marked by a 15.1% y/y increase in cement consumption to 3.1 mn metric tonnes and a 92.6% y/y rise in Nairobi building plan approvals to Kshs 60.7 bn in Q3'2026, ii) sustained infrastructure rollout under the PPP framework, including Parliamentary

endorsement of NSSF's equity stake in the Rironi–Mau Summit Highway, and iii) monetary easing with the Central Bank Rate held at 8.75% alongside new USD-denominated REIT listings (ALP Industrial REIT and TRIFIC Green USD I-REIT) that ranked Kenya fourth in Africa's REIT market. However, challenges such as weak institutional pension allocation to REITs (at 0.6% of total AUM), thin secondary market liquidity on the Unquoted Securities Platform, and high capital requirements (such as the Kshs 100.0 mn REIT trustee capital minimum and Kshs 5.0 mn subscription floor) will continue to constrain the sector's optimal performance.

Digital Payments Weekly Highlights

i. Visa Expands Agentic Ready to Help Scale Trusted AI Commerce Globally

During the week, Visa Inc. announced the expansion of its Visa Agentic Ready program to the acceptance ecosystem, launching with more than 140 initial participants including, Global Payments, PayPal, and Stripe, across merchants, B2B suppliers, payment service providers (PSPs), acquirers, and commerce platforms. The enhancement enables acceptance partners to test and validate real-world, AI agent-initiated transactions alongside the 175 issuers already participating across 45 markets, helping them recognize, authenticate, and securely process agentic network tokens using existing payment infrastructure. Visa indicated that the expanded program, operating as part of Visa Intelligent Commerce and complemented by the Visa Acceptance Platform, provides an integrated framework for credential management, fraud protection, dispute resolution, and B2B payment automation. The expansion strengthens Visa's position as a foundational trust and orchestration layer in emerging AI-driven commerce, potentially driving broader merchant adoption, higher transaction approval rates, and increased payment volumes across consumer and B2B channels. However, the near-term commercial impact will depend on the pace at which participants transition from testing to live production environments and whether standardized agent identity and risk frameworks gain widespread adoption throughout 2027

ii. Block Inc Square Australia and NAB Team Up to Make Business Simpler

During the week, Block, Inc. (via its Square unit) announced a strategic partnership with National Australia Bank (NAB) to deliver integrated point-of-sale and digital payment capabilities to Australian businesses, alongside releasing new data on Square's bitcoin payment adoption. The NAB collaboration will introduce a flexible transfer feature starting in February 2027 that allows merchants to customize close-of-day cutoff times and receive funds into their NAB business accounts within 15 minutes, while Block also confirmed it is extending zero-fee bitcoin payment processing on Square through December 31, 2027. Block indicated that everyday retail transactions, particularly coffee shops and quick-service restaurants, which accounted for 62.6% of food and beverage crypto payments, drive repeat usage, with 44.0% of Cash App bitcoin payments representing repeat merchant visits. The announcements strengthen Block's merchant ecosystem by addressing off-hours cash-flow needs for hospitality and retail businesses while incentivizing digital asset acceptance at the point of sale. However, the near-term revenue impact will be tempered by the continuation of fee waivers on bitcoin transactions and the phased 2027 rollout of the NAB settlement features.

iii. Wise Platform accelerates growth across Asia Pacific with Standard Chartered and BNI as financial institutions step up demand for global payments

During the week, Wise PLC announced the expansion of its Wise Platform infrastructure across the Asia-Pacific region through a new partnership with Bank Negara Indonesia (BNI) and expanded collaborations with Standard Chartered and Malaysia's MBSB Bank. The enhancements enable partner banks to embed Wise's international payment rails directly into their retail and corporate banking applications, including expanding MBSB Bank's capabilities to support faster, lower-cost B2B cross-border transfers. Wise also reported reaching 4.7 million physical cards issued in Brazil, representing nearly 60.0% growth highlighting rising cross-border digital and point-of-sale payment volumes across Latin America Together, these

developments strengthen Wise's dual consumer and B2B banking-as-a-service footprint in high-growth emerging markets, potentially driving sustained cross-border payment volume and fee diversification. However, near-term margin expansion will remain sensitive to foreign-exchange corridor pricing competition and the integration timelines of partner financial institutions.

Digital Payments Stock Performance

The table below presents a snapshot of NYSE-listed digital payments stocks, covering Visa, Mastercard, American Express (AXP), Circle, Block, Global Payments and PayPal:

Cytonn Report: Digital Payments NYSE and LSE stock performance						
Company	Year Open 2026	Price 13/11/2026	Price 20/11/2026	w/w change	YTD change	Forward P/E
American Express	372.7	319.4	301.7	(5.5%)	(19.1%)	15.0x
Visa	346.5	425.4	401.9	(5.5%)	16.0%	23.4x
Mastercard	563.1	660.5	625.6	(5.3%)	11.1%	27.0x
Circle	83.5	62.4	47.5	(23.8%)	(43.1%)	36.8x
Block	65.2	84.6	69.7	(17.7%)	6.9%	13.0x
PayPal Holdings	58.1	59.4	53.3	(10.2%)	(8.3%)	9.0x
Global Payments Inc	77.0	91.9	91.8	(0.1%)	19.2%	37.3x
Average						**23.1x**

Source: Visa, AXP, Circle, Global Payments, Mastercard, Block and PayPal financials, NYSE, PE calculated using forward estimates FY'2027 financials*

The stocks are currently trading at an average P/E multiple of 23.1x, indicating that investors are pricing in strong future earnings growth and are prepared to pay a substantial premium for current earnings. This also suggests that valuations may be stretched relative to near-term fundamentals.

We expect the global digital payments sector to continue shifting toward greater payment sovereignty and reduced reliance on traditional card-based networks, as governments and financial institutions prioritize control over domestic payment ecosystems. The European Central Bank's progress toward launching the Digital Euro signals a growing move toward central bank-backed payment infrastructure, which is likely to intensify competition with established private networks such as Visa Inc. and Mastercard Incorporated. However, despite these favorable long-term tailwinds, valuations remain elevated, with the companies under coverage trading at an average forward P/E of 23.1x, suggesting that much of the expected growth may already be priced in. As such, we expect near-term performance to remain sensitive to regulatory developments, execution risk, and how quickly incumbents and new entrants adapt to the changing payments landscape.

Focus of the Week: Nairobi Metropolitan Area (NMA) Mixed-Use Developments Report 2026

Introduction

In November 2025, we released the Nairobi Metropolitan Area Mixed-Use Developments (MUDs) Report 2025 which highlighted that Mixed-Use Developments recorded an average rental yield of 8.7%, 1.6% points higher than the respective single-use themes which recorded an average rental yield of 7.1% in a similar period in 2024. The positive performance was mainly driven by; i) strong demand for prime locations from clients willing to pay premium rents, ii) the strategic positioning of the developments, which drew prospective tenants and buyers, and, iii) proximity to amenities such as shopping malls, which enhanced their desirability.

This week we update our report with 2026 market research data in order to determine the progress and performance of MUDs against the market performance of single-use Residential, Commercial Office, and Retail developments. Therefore, this topical will cover the following:

I. Overview of Mixed-Use Developments,

II. Mixed-Use Developments Performance Summary in 2026, and,
III. Mixed-Use Developments Investment Opportunity and Outlook.

Section I: Overview of Mixed-Use Developments

A Mixed-Use Development (MUD) is an urban development that integrates various real estate functions, including residential, commercial, retail, and hospitality components. By combining these diverse uses, a single development can fulfill multiple purposes within one location, offering enhanced convenience by bringing living, working, and recreational spaces together. This integration of different functions provides easy access to amenities and services, making MUDs increasingly popular in Kenya as they respond to the evolving lifestyles and demands of clients. For the year 2026;

i. Kenya Railways Corporation is leading the redevelopment of Nairobi Railway City, a mixed-use urban district on 438 acres around Nairobi Central Station, organized into six precincts that include offices, a MICE core with convention centres and hotels, a commercial core, a market core and affordable sustainable housing. The project is estimated at approximately Kshs 30.0 bn under a Public-Private Partnership, with Kenya Railways targeting early 2027 to finalise funding arrangements and construction of the MICE zone. For more information, please see our Cytonn Q3'2026 Markets Review.
ii. In June 2026, Tatu City appointed China Road and Bridge Corporation (CRBC) as main contractor for Jabali Towers, a mixed-use development within Tatu City. The development comprises two residential towers of 25 and 36 storeys, Grade A offices, a 150-room hotel and 35 shops and restaurants, with a total built-up area of about 88,000 SQM. For more information, please see our Cytonn Q3'2026 Markets Review.

Some of the factors that have been driving the growth of MUDs include;

i. **Developers' shift toward mixed-use schemes:** Weaker residential approvals are pushing developers to diversify. The value of approved residential building plans fell by about 10% in Q1 2026 to Kshs 41.0 bn from Kshs 45.7 bn a year earlier, with developers diversifying into commercial, mixed-use and alternative real estate sectors. Redevelopment of low-density prime sites into higher-density residential and mixed-use schemes is also expected to continue, and a High Court ruling allowed a high-rise mixed-use development in Lavington to proceed.
ii. **Large integrated and urban renewal projects:** Large schemes are placing mixed-use at the centre of Nairobi's urban renewal and masterplanned growth. The Government's Makongeni redevelopment in Eastlands, which broke ground in November 2025, covers 139 acres of housing, retail streets, co-working spaces, schools and green space, while Nairobi Railway City, a 438-acre mixed-use district, is moving from planning towards funding and construction of its MICE zone.
iii. **Deepening capital market funding:** Listed property funds give developers and investors a route to raise capital and exit income-producing assets. According to REIT Association of Kenya data reported in March 2026, the market capitalisation of Kenya's REITs stood at Kshs 24.6 bn, up from Kshs 9.8 bn in 2021. In June 2026, the TRIFIC Green USD Income REIT listed on the NSE after raising Kshs 4.0 bn (USD 30.8 mn) in an offer that was 103.3% subscribed. The REIT is anchored on TRIFIC North Tower, a Grade A office building within Two Rivers, illustrating how the office component of a mixed-use development can be packaged for listed investors.
iv. **Demand for Grade A offices in mixed-use schemes:** Average prime office occupancy in Nairobi rose to 84.9% in June 2026 from 77.7% in June 2025, a 7.2% points y/y increase supported by limited new supply. Mixed-use schemes are positioned to capture this demand through their office components, such as the offices and Grade A offices in the commercial core planned at Nairobi Railway City, and MUD office yields of 9.0% compare with 8.0% for single-use offices.

Despite the aforementioned factors, there exist various setbacks hindering the development and performance of MUDs such as:

i. **High development costs:** Developing and financing Mixed-Use Developments (MUDs) tends to be more expensive than single-use projects, largely due to the complex designs required to ensure smooth integration of varied real estate functions. Balancing appeal with functionality adds challenges for developers seeking funding from banks and other stakeholders. Additionally, construction costs in Kenya rose sharply in 2026, largely due to higher fuel and transport costs. According to the Kenya National Bureau of Statistics (KNBS) Q2'2026 Construction Input Price Indices, the Construction Input Price Index increased by 5.7% quarter-on-quarter to 126.36 in Q2'2026 from 119.51 in Q1'2026, with the transport, fuel and lubricants component rising by 21.47% over the same period. Prices of key construction components, including concrete, asphalt and doors, also rose, suggesting that developers are facing higher input costs and mounting pressure on project budgets.
ii. **Oversupply in select real estate sectors:** Existing oversupply of physical space in select sectors, with approximately 3.4 mn SQFT in the NMA commercial office market, which hinders optimum performance of the developments. Apartment supply has also outpaced demand in Nairobi suburbs, and elevated secondary-office vacancy has given tenants leverage to negotiate rent-free periods and fit-out contributions.
iii. **Coordinating diverse uses:** Successfully integrating the varied uses within MUDs can be challenging, as each real estate component has unique needs and requirements. Achieving the right balance requires careful management, ensuring that tenants complement one another and align with the development's overall objective which can be complex to implement effectively.
iv. **Weak consumer spending in retail:** Demonstrations forced temporary mall closures in H1 2026 and household spending constraints lowered footfall, while diaspora remittances were 1.1% lower to a cumulative USD 5,023.2 mn in the 12 months to October 2026, lower than the USD 5,081.6 mn recorded over the same period in 2025, which may weigh on consumer demand for the retail components of MUDs.

Section II: Mixed-Use Developments Performance Summary in 2026

A. Summary of MUDs Performance in Comparison to General Market Performance

Mixed-Use Developments recorded an average rental yield of 8.6% in 2026, 1.0% points higher than the respective single-use themes which recorded an average rental yield of 7.6% in Q3'2026. The relatively better performance was mainly attributable to changing client preferences and MUDs' attractiveness driven by the diversity in amenities and social offerings they provide to clients.

The retail theme in the MUDs recorded a 1.2% points decrease in average rental yield to 9.3% in 2026, from 10.5% in 2025. The decline was mainly because prices rose faster than rents: average prices in the sampled retail developments rose by 16.1% against a 3.9% rise in average rents, with the gap widest in Karen and Limuru Road, where prices rose by 43.7% and 45.5% against rent increases of 24.1% and 14.8%, respectively. The office theme recorded a 0.4%-points increase to 9.0% from 8.6%, supported by higher average occupancy of 82.3% from 80.0% in 2025, with occupancy gains of 5.2%, 6.5%, 7.5% and 8.0% points in Westlands, Limuru Road, Eastlands and Mombasa Road, respectively. For the Residential theme in the MUDs, the average rental yield increased by 0.1% points to 7.3% in 2026, from 7.2% in 2025, supported by an increase in average asking rents to Kshs 1,523 per SQM from Kshs 1,082 per SQM in 2025.

The table below shows the performance of single-use and Mixed-Use development themes between 2025 and 2026;

Cytonn Report: Thematic Performance in MUDs Vs. Key Nodes Hosting MUDs Market Performance 2025-2026			
	MUD Themes Average	Market Average	

	Rental Yield % 2025	Rental Yield % 2026	Rental Yield % 2025	Rental Yield % 2026	Δ in y/y MUD Rental yields	Δ in theme Rental Yields
Offices	8.6%	9.0%	7.6%	8.0%	0.4%	0.4%
Residential	7.2%	7.3%	5.5%	5.8%	0.1%	0.3%
Retail	10.5%	9.3%	8.3%	9.0%	(1.2%)	0.7%
Average	8.7%	8.6%	7.1%	7.6%	(0.1%)	0.5%
** Market performance is calculated from nodes where sampled MUDs exist*						

Source: Cytonn Research

B. Mixed-Use Developments Performance per Node

In terms of performance per node, Karen, Kilimani, and UpperHill were the best performing of all sampled nodes with average yields of 9.6%, 9.1%, and 9.0% respectively; 1.0%, 0.5% and 0.4% points higher than the MUD average of 8.6% in 2026. The strong performance was mainly attributed to: i) a large base of residents with substantial consumer spending power, ii) robust infrastructure supporting investment opportunities, and iii) the availability of prime retail and office spaces commanding higher rents and yields. On the other hand, Mombasa Road recorded the lowest performance with an average rental yield of 8.4%, 0.2% points lower than the MUD average of 8.6%. This performance can be attributed to; i) heavy traffic on Mombasa Road potentially deterring businesses and residents, reducing demand and rental yields, ii) low rental rates attracted by developments, and iii) the area's perception as an industrial hub reducing appeal for high-rent tenants. The tables below show the performance of Mixed-Use Developments by node in 2026;

Cytonn Report: Nairobi Metropolitan Area Mixed Use Developments Performance by Nodes 2026											
Location	Commercial Office			Commercial Retail			Residential				
	Rent (Kshs/SQFT)	Occupancy	Rental Yield	Rent (Kshs/SQFT)	Occupancy	Rental Yield	Price (Kshs/SQM)	Rent (Kshs/SQM)	Annual Uptake	Rental Yield	Average MUD Yield
Karen	140	86.0%	9.3%	335	91.5%	9.8%					9.6%
Kilimani	105	80.0%	8.8%	176	88.6%	9.5%					9.1%
UpperHill	120	82.0%	9.1%	177	79.7%	9.0%					9.0%
Limuru Road	130	84.0%	9.4%	350	76.5%	10.0%	174,022	1,161	30.6%	7.0%	8.8%
Westlands	135	85.0%	9.5%	210	78.8%	9.3%	261,485	2,206	11.2%	7.2%	8.7%
Eastlands	75	80.0%	8.5%	185	91.0%	8.8%					8.6%
Thika road	100	83.0%	9.1%	197	84.3%	9.3%	130,551	877	20.4%	7.3%	8.5%
Mombasa road	90	78.0%	8.4%	205	80.0%	9.0%	262,994	1,849	10.8%	7.8%	8.4%
Average	112	82.3%	9.0%	229	83.8%	9.3%	207,263	1,523	18.3%	7.3%	8.6%
**Selling prices used in the computation of rental yields for commercial office and retail themes entailed a combination of both real figures and market estimates of comparable properties in the locations of the Mixed-Use Developments (MUDs) sampled*											

Source: Cytonn Research

C. Performance of Real Estate Themes in MUDs versus Single-themed Developments' Performance

In our Mixed-Use Development analysis, we looked into the performance of the retail, commercial office, and residential themes:

i. Retail Space

The average rental yield of retail spaces in Mixed-Use Developments came in at 9.3% in 2026, 0.3% points higher than the single-use retail developments that realized an average rental yield of 9.0% in Q3'2026. This was mainly attributable to the higher average rental rates in the sampled MUDs of Kshs 229 per SQFT when compared to the Kshs 194 per SQFT recorded for the single-use retail spaces in 2026.

Limuru Road and Karen nodes registered the best performance among the sampled retail developments with average rental yields of 10.0% and 9.8%, higher than the MUD retail average of 9.3%. This was mainly driven by; i) relatively stable occupancy rates, ii) increased and relatively higher rental rates which translates to higher returns, iii) the presence of residents with high incomes and significant purchasing power, and, iv) the availability of sufficient infrastructure and connectivity that effectively supports the MUDs. Conversely, Eastlands recorded the lowest rental yield at 8.8%, 0.5% points lower than the MUD retail average of 9.3%, owing to relatively lower rental rates of Kshs 185 per SQFT in comparison to the MUD retail average of Kshs 229. The table below provides a summary of the performance of retail spaces in MUDs against market performance in 2026;

All values in Kshs Unless Stated Otherwise						
Cytonn Report: Performance of Retail in MUDs Vs. Market Performance 2026						
Location	**MUD Performance**			**Market Performance 2026**		
	Rent/SQFT	**Occupancy (%)**	**Rental Yield (%)**	**Rent/SQFT**	**Occupancy (%)**	**Rental Yield (%)**
Limuru Road	350	76.5%	**10.0%**	185	87.8%	**9.6%**
Karen	335	91.5%	**9.8%**	226	94.0%	**9.9%**
Kilimani	176	88.6%	**9.5%**	204	91.2%	**9.0%**
Thika road	197	84.3%	**9.3%**	172	92.5%	**8.3%**
Westlands	210	78.8%	**9.3%**	224	84.7%	**9.1%**
Mombasa road	205	80.0%	**9.0%**	172	86.6%	**8.8%**
UpperHill	177	79.7%	**9.0%**			
Eastlands	185	91.0%	**8.8%**	173	80.6%	**8.1%**
Average	**229**	**83.8%**	**9.3%**	**194**	**88.2%**	**9.0%**

Source: Cytonn Research

ii. Commercial Office Space

The average rental yield for commercial office spaces in MUDs came in at 9.0%, 1.0% points higher than single-use commercial developments which realized an average rental yield of 8.0% in Q3'2026. The performance by MUDs was largely attributed to the high rental rates chargeable per SQFT within the developments driven by; i) Strategic locations attracting multinationals and international organizations, boosting demand for these spaces, and, ii) High rental rates for prime Grade A offices are driven by their exceptional quality, and sustainability features.

In terms of submarket performance, Westlands, Limuru Road, and Karen were the best-performing nodes posting average rental yields of 9.5%, 9.4%, and 9.3% attributable to; i) the presence of high-end business parks such as Sarit, GTC, the Hub, Galleria and Two Rivers, offering high rental rates and returns, ii) quality and ample infrastructure improving accessibility to the nodes, iii) quick access to the CBD, and, iv) increasing demand for these spaces. In contrast, Mombasa Road exhibited the lowest performance among nodes, with an average rental yield of 8.4%, followed by Eastlands at 8.5%, primarily due to: i) lower rental rates of Kshs 90 and Kshs 75 per SQFT respectively, against the MUD average of Kshs 112, and ii) relatively lower occupancy levels. The table below shows the performance of office spaces in MUDs against the single-use themed market in 2026;

All Values are in Kshs Unless Stated Otherwise						
Cytonn Report: Performance of Commercial Offices in MUDs Vs. Market Performance 2026						
Location	**MUD Performance**			**Market Performance 2026**		
	Rent/SQFT	**Occupancy (%)**	**Rental Yield (%)**	**Rent/SQFT**	**Occupancy (%)**	**Rental Yield (%)**
Westlands	135	85.0%	**9.5%**	123	85.7%	**8.8%**
Limuru Road	130	84.0%	**9.4%**			
Karen	140	86.0%	**9.3%**	118	85.0%	**8.4%**
UpperHill	120	82.0%	**9.1%**	109	79.5%	**8.0%**
Thika road	100	83.0%	**9.1%**	96	82.7%	**7.4%**
Kilimani	105	80.0%	**8.8%**	108	84.8%	**8.3%**

Eastlands	75	80.0%	**8.5%**			
Mombasa road	90	78.0%	**8.4%**	92	76.4%	**7.0%**
Average	**112**	**82.3%**	**9.0%**	**108**	**82.4%**	**8.0%**

Source: Cytonn Research

iii. Residential Space

In 2026, residential units within MUDs recorded an average rental yield of 7.3%, marking a 1.5% points premium over the single-use residential market average of 5.8% in Q3'2026. This was 0.1% points higher than the 2025 performance of 7.2%. The marginal increase was mainly supported by an increase in asking rents to Kshs 1,523 per SQM from Kshs 1,082 per SQM in 2025. Additionally, there was an increase in unit uptakes by 5.3% points to 18.3% from 13.0% in 2025.

Regarding sub-market performance, Mombasa Road and Thika Road emerged as the top-performing nodes with an average rental yield of 7.8% and 7.3%, respectively, owing to a favourable ratio of asking rents to prices, with average asking rents of Kshs 1,849 and Kshs 877 per SQM respectively. Conversely, Limuru Road ranked as the least performing node, registering an average rental yield of 7.0%, mainly due to the relatively high prices of developments in the area relative to the rental rates they command. The table below summarizes the performance of residential spaces in MUDs against the single-themed market in 2026:

All Values are in Kshs Unless Stated Otherwise								
Cytonn Report: Performance of Residential Units in MUDs Vs. Market Performance 2026								
Location	**MUD Performance**				**Market Performance 2026**			
	Price/SQM	**Rent/SQM**	**Annual Uptake**	**Rental Yield %**	**Price/SQM**	**Rent/SQM**	**Annual Uptake**	**Rental Yield %**
Mombasa road	262,994	1,849	10.8%	**7.8%**	75,495	432	7.9%	**5.9%**
Thika road	130,551	877	20.4%	**7.3%**	91,355	497	7.7%	**4.7%**
Westlands	261,485	2,206	11.2%	**7.2%**	133,929	744	9.4%	**6.4%**
Limuru Road	174,022	1,161	30.6%	**7.0%**	104,379	561	9.2%	**5.1%**
Average	**207,263**	**1,523**	**18.3%**	**7.3%**	**101,290**	**559**	**8.6%**	**5.5%**

Source: Cytonn Research

Section III: Mixed-Use Developments Investment Opportunity and Outlook

The table below summarizes our outlook on Mixed-Use Developments (MUDs), where we look at the general performance of the key sectors that compose MUDs i.e., retail, commercial office, and residential, and investment opportunities that lie in the themes;

Cytonn Report: Mixed-Use Developments (MUDs) Outlook		
Sector	**2026 Sentiment and Outlook**	**2026 Outlook**
Retail	• The average rental yield of retail spaces in Mixed-Use Developments came in at 9.3% in 2026, 0.3% points higher than the single-use retail developments that realized an average rental yield of 9.0% in Q3'2026. This was mainly attributable to the higher average rental rates in the sampled MUDs of Kshs 229 per SQFT when compared to the Kshs 194 per SQFT recorded for the single-use retail spaces in Q3'2026. • We expect retail spaces within MUDs to continue performing strongly, bolstered by the aggressive expansion of both local and international retailers—including Carrefour and China Square—as they seek to entrench market dominance and fill the void left by outgoing brands such as Nakumatt and Uchumi. This momentum is further supported by Kenya's favourable population demographics, which continue to drive demand for goods and services, as well as rising foreign capital inflows into the retail sector alongside steady growth in e-commerce. • However, the retail market in the Nairobi Metropolitan Area faces constraints due to challenging economic conditions like inflation that reduce consumer purchasing power, and a continued shift toward e-commerce. These factors are likely to dampen the sector's performance. • Investment opportunities lie in Limuru Road, Karen, and Kilimani, with the nodes providing relatively higher rental yields among the sampled retail developments	Neutral

Office	• The average rental yield for commercial office spaces in MUDs came in at 9.0%, 1.0% points higher than single-use commercial developments which realized an average rental yield of 8.0% in Q3'2026. The performance by MUDs was largely attributed to the high rental rates chargeable per SQFT within the developments driven by; i) Strategic locations attracting multinationals and international organizations, boosting demand for these spaces, and, ii) High rental rates for prime Grade A offices are driven by their exceptional quality, and sustainability features. • A gradual increase in the uptake of commercial office spaces is expected, supported by the rising popularity of co-working environments. However, overall sector performance will continue to face pressure from the existing oversupply of approximately 3.4 mn SQFT. Encouragingly, new supply has been limited, with only one notable prime office completion in H1 2026 (Fadaq Park, 70,000 SQFT). However, select projects totalling about 1.0 mn SQFT, including Mwanzi Square, ICEA II and Vantage Point at Two Rivers, are due in 2027-2028, which may prolong the oversupply. • Westlands, Limuru Road, and Karen provide the best investment opportunities owing to their relatively higher rental yields resulting from higher rates chargeable due to the superiority in quality of spaces in the nodes	**Neutral**
Residential	• In 2026, residential units within MUDs recorded an average rental yield of 7.3%, marking a 1.5% points premium over the single-use residential market average of 5.8% in Q3'2026. This was 0.1% points higher than the 2025 performance of 7.2%. The marginal increase was mainly supported by an increase in asking rents to Kshs 1,523 per SQM from Kshs 1,082 per SQM in 2025. Additionally, there was an increase in unit uptakes by 5.3% points to 18.3% from 13.0% in 2025. • The best investment opportunity lies in Mombasa Road and Thika Road, which recorded the highest rental yields, above the MUD residential average	**Neutral**
Outlook	***Given that all our metrics are neutral, we retain a NEUTRAL outlook for Mixed-Use Developments (MUDs), supported by the higher returns compared to single-use themes, changing client preferences, and MUDs attractiveness driven by the diversity in amenities and social offerings they provide to clients.*** ***However, the existing oversupply of the NMA office market at 3.4 mn SQFT is expected to weigh down the performance. Karen, Kilimani, and UpperHill nodes provide the best investment opportunities, with the areas providing the highest average MUD yields of 9.6%, 9.1% and 9.0% respectively, compared to the MUD average of 8.6%.***	

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