

The Mwango Weekly for 22nd September 2025

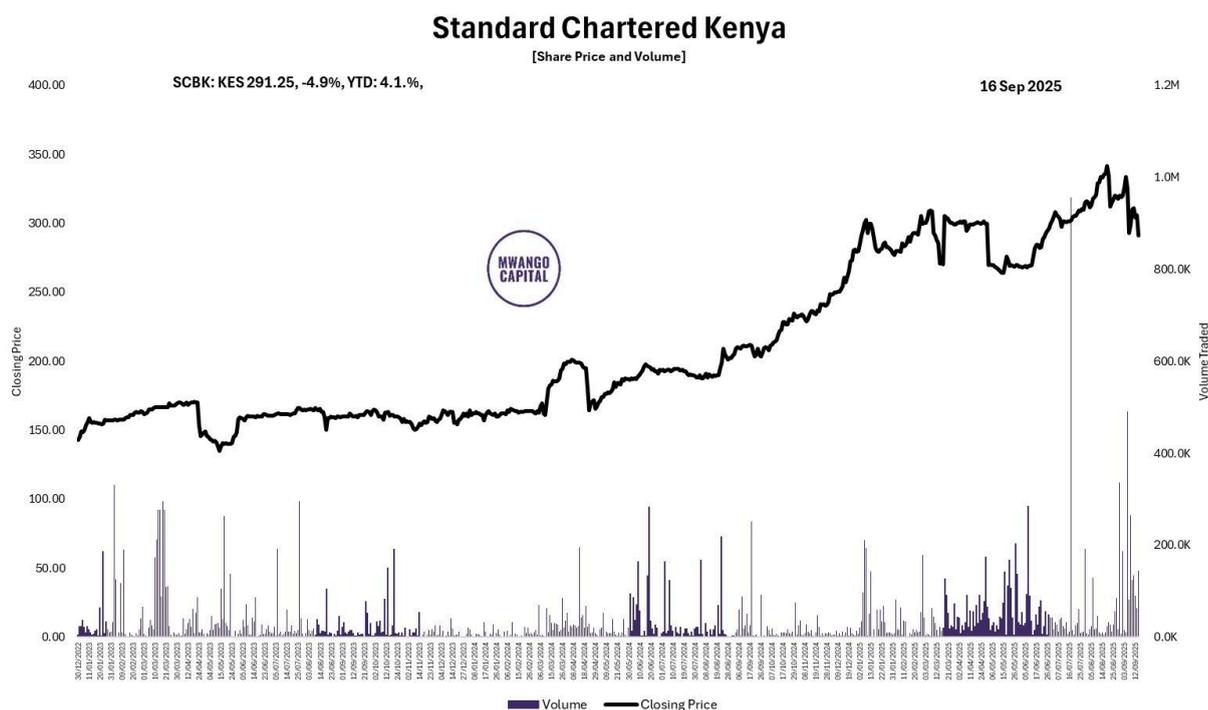
MPs Push EAPC Toward Share Buyback Over Planned Stake Sale

In this week's newsletter, we cover: Parliament's Push for an EAPC Share Buyback Over Holcim Sale, StanChart's Projected 25% Profit Drop in FY25, and Umeme's UGX 167B Loss in H1 2025.

StanChart Warns of 25% Profit Drop in FY25 on Pension Tribunal Costs

Standard Chartered Bank last week issued a profit warning, projecting that its FY25 net earnings will decline by over 25 percent, or more than KES 5B, from the record KES 20.1B reported in 2024. The bank attributed this sharp hit to tribunal-directed staff benefit payouts linked to a long-running pension dispute. Despite the expected drop, management stressed that the lender remains adequately capitalised and capable of meeting regulatory thresholds. Markets reacted swiftly to the warning, with StanChart Kenya's share price closing 4.9 percent lower at KES 291.25. This marked the biggest one-day drop since the Covid-19 period in 2020, when profits slumped 34 percent to KES 5.4B, underscoring investor concern about the financial impact of the tribunal

ruling.



Pension Dispute Widens as Non-629 Ex-Staff Push for Equal Treatment: The profit warning comes as Standard Chartered faces mounting pressure over pension disputes. While the bank has begun processing payouts to 629 former employees after a Supreme Court ruling, another group of non-629 pensioners is now demanding equal treatment. The group has requested that their benefits also be recalculated, citing the court's finding that wrong actuarial factors had been applied in earlier assessments. Their representatives argue that any additional entitlements should accrue investment returns from the fund's inception to date, insisting that justice cannot be selective. Last week, the pension fund requested all appellants to present verification documents at Almary Green Business Park in Nairobi from September 22, 2025, as part of the payment process. The pensioners have warned that failure to address their demands will force them to petition the Retirement Benefits Authority for the removal of trustees and to escalate the matter both locally and internationally. This new push follows the Supreme Court's dismissal of StanChart's attempt to block earlier rulings, with the apex court holding that the bank had not demonstrated constitutional grounds to halt the payouts.

StanChart Investment Arm Posts 21% Profit Growth to KES 619M: Standard Chartered Investment Services Ltd delivered solid financial results for the first half of 2025. Advisory and consultancy fees jumped 35.4 percent year-on-year to KES 1.11B,

fuelling a 36 percent rise in operating profit to KES 886M. Net profit also climbed 21 percent to KES 619.2M, underlining resilience in the investment services arm even as the parent bank grapples with pension liabilities. However, the balance sheet showed signs of strain, with total assets falling 35.7 percent to KES 747.3M and shareholders' funds declining 18.8 percent to KES 655M. Operating expenses also surged 33.7 percent to KES 227M, reflecting cost pressures across the business.

StanChart Kenya Profit After Tax (KES)

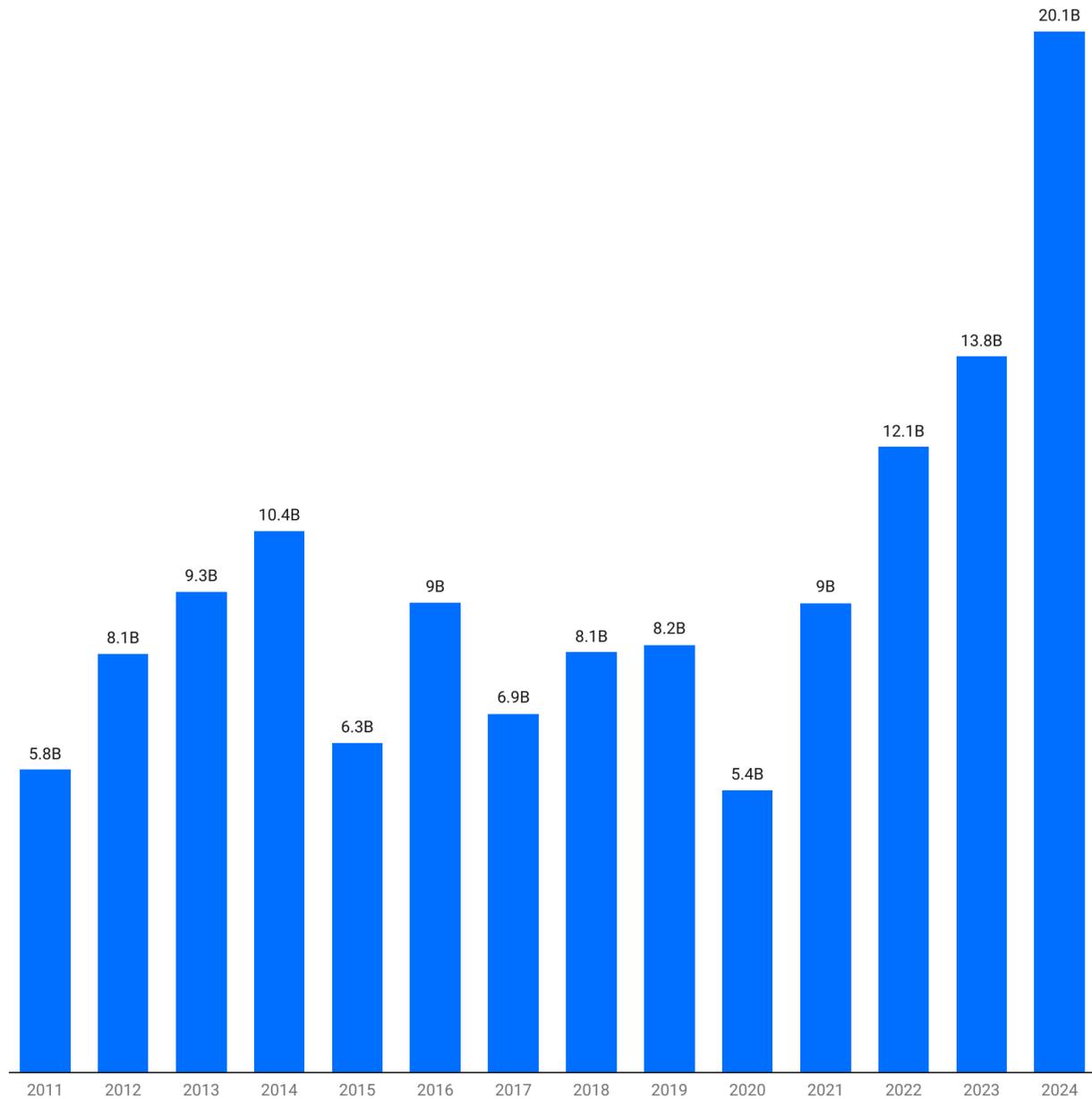


Chart: Mwango Capital • Source: Company Financial Statements • Created with Datawrapper

Parliament Pushes EAPC to Pursue Share Buyback Over Planned Sale to Tanzanian Tycoon

Parliament has directed East African Portland Cement (EAPC) to buy back Holcim's 29.2 percent stake instead of selling it to Tanzanian tycoon Edhah Abdallah Munif through Kalahari Cement Limited. The Committee on Trade, Industry and Cooperatives, chaired by Hon. Benard Shinali (Ikolomani) and Vice Chairperson Hon. Marianne Kitany (Aldai), flagged the proposed deal as undervaluing the shares and shrouded in secrecy, with neither employees nor management consulted. Lawmakers stressed that the sale involved a strategic company where Kenyans, through the National Treasury (25.3 percent) and the National Social Security Fund (27 percent), collectively hold a 52.3 percent majority stake. During the session, EAPC Managing Director Mohamed Adan admitted that neither staff nor management had been engaged, warning that uncertainty was fuelling job loss fears.

Offer Price at KES 27.30 Seen as Below Market Value: The proposed transaction involves Cementia Holdings AG and Associated International Cement Ltd, both subsidiaries of Holcim, offloading 26.3M shares (29.2 percent of EAPC) to Kalahari Cement at KES 27.30 per share. This is significantly below EAPC's market closing price of KES 59.25 as at the end of last week, prompting MPs to question the valuation. If approved, the deal would give Kalahari Cement a combined 41.7 percent interest in EAPC through its association with Bamburi Cement, where it already holds 12.5 percent. Kalahari is a special purpose vehicle backed by Tanzania's Amsons Group, which acquired a 96.54 percent stake in Bamburi Cement last year for USD 183M. MPs also questioned why a buyback option had not been considered earlier, given that Adan acknowledged the company's cash flows had improved under its turnaround plan. They further criticised governance lapses, noting that EAPC's Articles of Association, last updated in 1933, remain outdated and inconsistent with current law, and that the appointment of the board chair appeared to rely on government nomination. If East African Portland Cement proceeds with the plan, it will become the third firm on the NSE to initiate a share buyback, following Nation Media Group in

2021 and Centum in 2023.

East African Portland Cement Full Year Net Profit (KES)

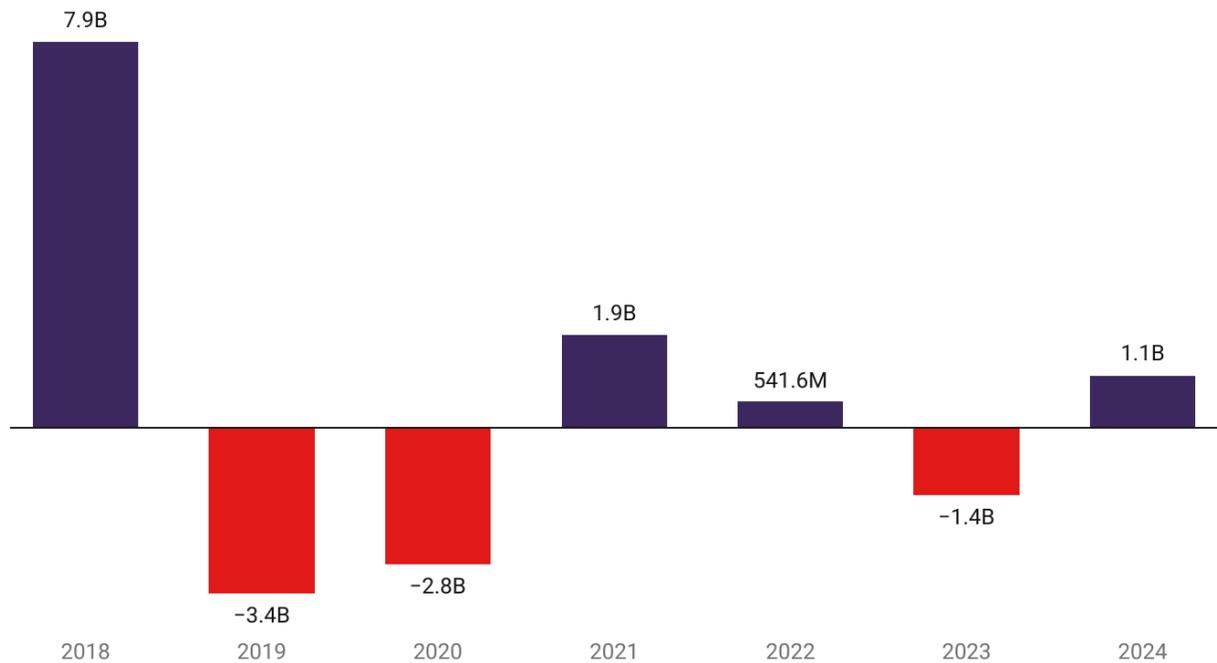


Chart: Mwangi Capital • Source: Company Financials • Created with Datawrapper

Markets Wrap

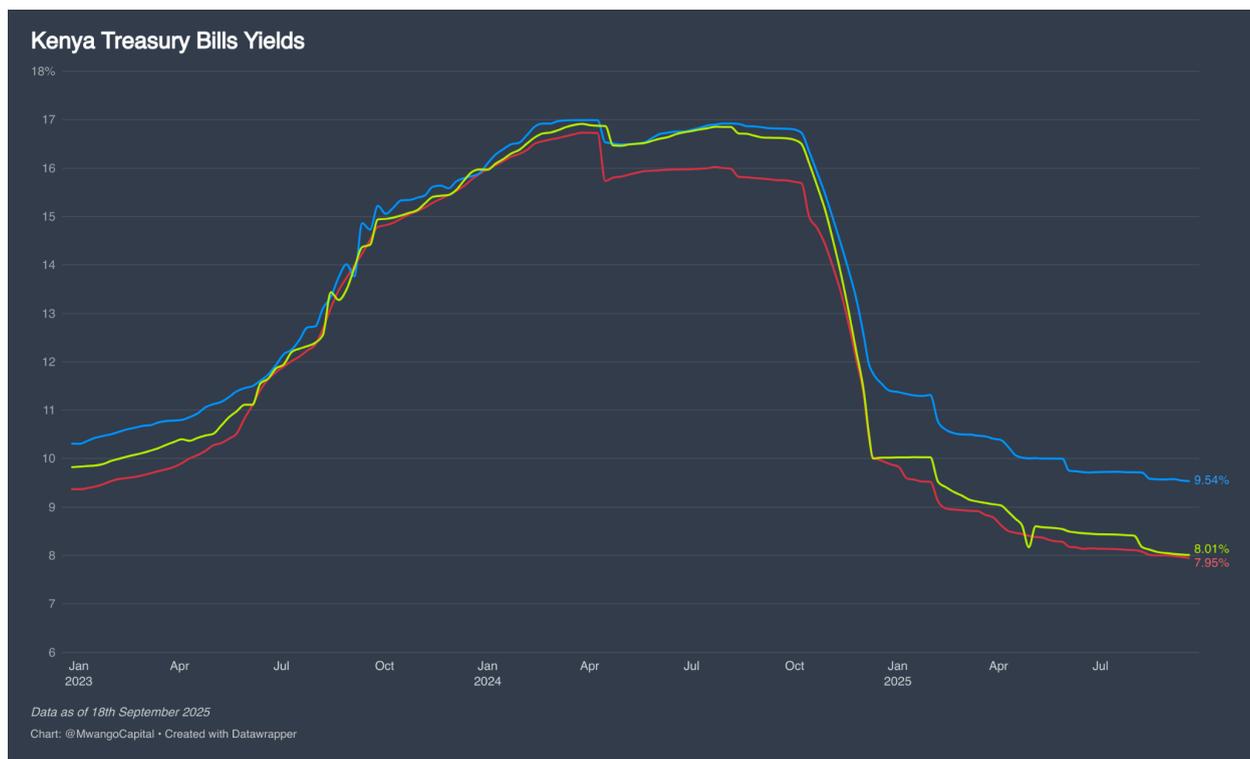
NSE Week 38 Highlights

Market Performance

The Nairobi Securities Exchange closed the week lower, with the NASI falling 2.90% to 173.5, while the NSE 20 and NSE 25 declined 3.82% and 2.75%, respectively. Market capitalization slipped to KES 2.73T. Equity turnover rose 32.2% to KES 5.34B, while bond turnover surged 40.8% to KES 55.4B. Foreign investors accounted for 40.6% of total activity, recording a sharp net outflow of KES 2.96B, mainly driven by heavy midweek selling. Limuru Tea led the gainers, up 9.9% to KES 340.75, while Home Afrika was the biggest loser, dropping 33.7% to KES 1.12.

The Mwango Capital Weekly Market Wrap					
Week 38 (12 to 19 September 2025)					
NSE Top Gainers & Losers in Week 38					
Top Gainers					
Ticker	12 Sep	19 Sep	Change (%)	YTD %	
Limuru Tea Company	LIMT	310.00	340.75	9.9%	-2.64%
Olympia Capital Holdings	OCH	5.08	5.50	8.3%	96.43%
Unga Group Limited	LINGA	21.80	23.25	6.7%	55.00%
EA Portland Cement Co.	PORT	54.00	57.25	6.0%	87.09%
Eveeedy East Africa	EVRO	1.34	1.42	6.0%	23.48%
Top Losers					
Ticker	12 Sep	19 Sep	Change (%)	YTD %	
Home Afrika Limited	HAFR	1.69	1.12	-33.7%	202.70%
CIC Insurance	CIC	5.40	4.32	-20.0%	100.93%
Umeme Limited	UMME	9.54	8.34	-12.6%	-50.21%
Flame Tree Group Holdings	FTGH	1.91	1.69	-11.5%	69.00%
Africa Mega Agricorp	AMAC	72.00	65.00	-9.7%	-7.14%
NSE Upcoming Corporate Actions					
Date	Corporate	Corporate Action			
26 September 2025	Centum	AGM			
26 September 2025	BAT	Interim Div. Payment (KES 10 Per Share)			
29 September 2025	Stanbic Holdings	Interim Div. Payment (KES 3.80 Per Share)			
2 October 2025	NCBA	Interim Div. Payment (KES 2.50 Per Share)			
7 October 2025	StanChart	Interim Div. Payment (KES 8 Per Share)			
9 October 2025	Jubilee Holdings	Interim Div. Payment (KES 2.0 Per Share)			
9 October 2025	Centum	Final Div. Book Closure (KES 0.32 Per Share)			
14 October 2025	BDO	Interim Div. Payment (KES 2.50 Per Share)			
15 October 2025	Absa	Interim Div. Payment (KES 0.20 Per Share)			
28 October 2025	EABL	Interim Div. Payment (KES 5.50 Per Share)			
The NSE This Week					
	Week 37	Week 38	Change (%)	YTD %	
NSE All Share Index	NASI	178.7	173.5	-2.90%	40.51%
NSE 20 Share Index	NSE 20	3,018.5	2,903.2	-3.82%	44.39%
NSE 10 Share Index	NSE 10	1,776.2	1,725.3	-2.87%	32.48%
NSE 25 Share Index	NSE 25	4,626.7	4,499.6	-2.75%	32.23%
Market Cap (KES B)	CAP	2,815.2	2,733.5	-2.90%	40.92%
Volume (M)		207.3	153.7		-25.9%
Equity Turnover (Kes. Mn)		4,036.00	5,337.00		32.2%
Bond Turnover (Kes. Mn)		39,355.85	55,403.65		40.8%
Domestic Debt					
18 Sep Offering (KES B)	Offered	Bids Received	Accepted	% Accepted	% performance
91-Day	4.00	4.25	4.12	96.94%	106.18%
182-Day	10.00	5.58	5.58	99.89%	55.81%
364-Day	10.00	13.13	13.02	99.18%	131.32%
Eurobond Yields					
KES (M)	12-Sep	18-Sep	7D Change (bps)		
10-Year 2028	5.97%	5.91%	-6.3		
6-Year 2031	7.73%	7.69%	-3.9		
12-Year 2032	7.94%	7.88%	-5.6		
13-Year 2034	8.35%	8.33%	-2.0		
30-Year 2048	9.22%	9.20%	-1.4		
Domestic Debt					
Week 38	AMOUNT (KES M)		%		
Total Foreign Turnover	2,164.91		40.56%		
Total Local Turnover	3,172.09		59.44%		
Sources: NSE, Central Bank of Kenya					

Treasury Bills: Treasury bills were oversubscribed last week, with a subscription rate of 95.7%, down from 161.5% the previous week. Investors submitted bids totaling KES 22.9B, and the Central Bank of Kenya (CBK) accepted KES 22.7B out of the KES 24B on offer. Yields on the 91-day, 182-day, and 364-day T-bills declined by 2.55, 0.96, and 1.17 basis points to 7.9461%, 8.0098% and 9.5366% respectively.



Strong Investor Appetite as CBK Reopens Bonds: The Central Bank of Kenya successfully reopened two Treasury bonds, FXD1/2018/020 (12.5-year tenor) and FXD1/2022/025 (22.2-year tenor), raising a combined KES 61.44B. Investor appetite was strong, with total bids reaching KES 97.29B against a KES 40B target. The longer-dated FXD1/2022/025 attracted the highest interest, achieving a performance rate of 159.8% and accepting KES 37.93B at a weighted average rate of 14.14%, priced at KES 106.28 per KES 100. The FXD1/2018/020 had a more modest uptake with KES 23.5B accepted at an average yield of 13.58%.

Eurobonds: Kenya's Eurobond curve was mixed in the week ending 19th September 2025. The KENINT 2032 (new) and KENINT 2034 led declines, slipping 19 and 812.6 basis points to 8.121% and 0.020% respectively. On the other hand, the KENINT 2027 and KENINT 2031 posted gains, rising 26.6 and 26.8 basis points to 5.814% and 8.164%. On average, maturities fell by 85.5 basis points week-on-week.

Market Gleanings

▼ | **Umeme Swings to UGX 167B Loss in H1 2025** | Umeme Limited posted a net loss of [UGX 166.7B](#) in H1 2025, reversing a UGX 13.0B profit a year earlier, as revenues dropped 56% to UGX 503.5B and gross profit fell 77% to UGX 95.4B due to the concession's expiry, reduced operating months, and lagged regulatory income recovery. Finance costs rose 65% to UGX 27.0B, while an amortisation charge of UGX 134.0B tied to asset revaluation further weighed on earnings. Total assets declined 57.5% to UGX 590.3B, but cash balances closed at UGX 467.0B after a UGX 434.0B partial government payment toward the company's Buy Out Amount claim. Despite the weak performance, Umeme declared and paid an interim dividend of UGX 222 per share in July 2025 and says it remains focused on resolving the outstanding Buy Out dispute with the government while seeking new business opportunities.

🇰🇪 | **Kenya Plans USD 500M Sustainability-Linked Bond for March 2026** | Kenya is preparing to issue a [USD 500M](#) (KES 65B) sovereign sustainability-linked bond in March 2026, backed by a framework developed with the World Bank. The bond will be tied to performance targets on forestation and rural electrification, with penalties such as higher coupon payments if goals are not met. If successful, the issuance would place Kenya among the first countries globally to adopt the model, following examples from Chile, Uruguay, and Thailand. The government hopes the instrument will attract

ESG-focused investors and provide more favorable borrowing terms, though execution risks around tree cover, rural power access, and broader fiscal pressures remain.

📈 | **NSE Hits Highest Turnover in 2025** | The NSE recorded the highest single-day turnover this year at KES 3.2B on Wednesday last week, up from KES 741M the previous session. Banking stocks dominated with KES 2B in trades (Equity KES 1B, KCB KES 562M, Stanbic KES 202M), while Safaricom accounted for KES 700M or 21% of total value. Foreign investors sold KES 2.86B against purchases of just KES 68.4M, resulting in net outflows of KES 2.79B, the highest in 2025, driven by large sales in Equity, Safaricom, and KCB ahead of the Fed's rate cut decision.

NSE Foreign Net Flows

KES, YTD

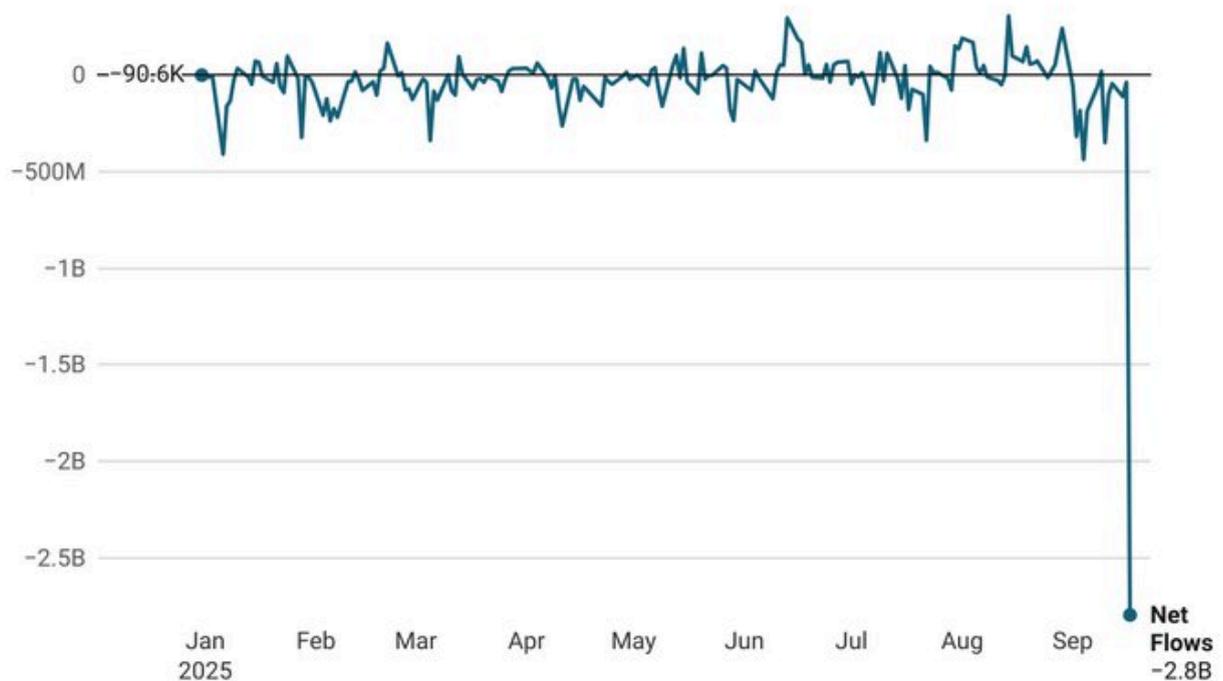
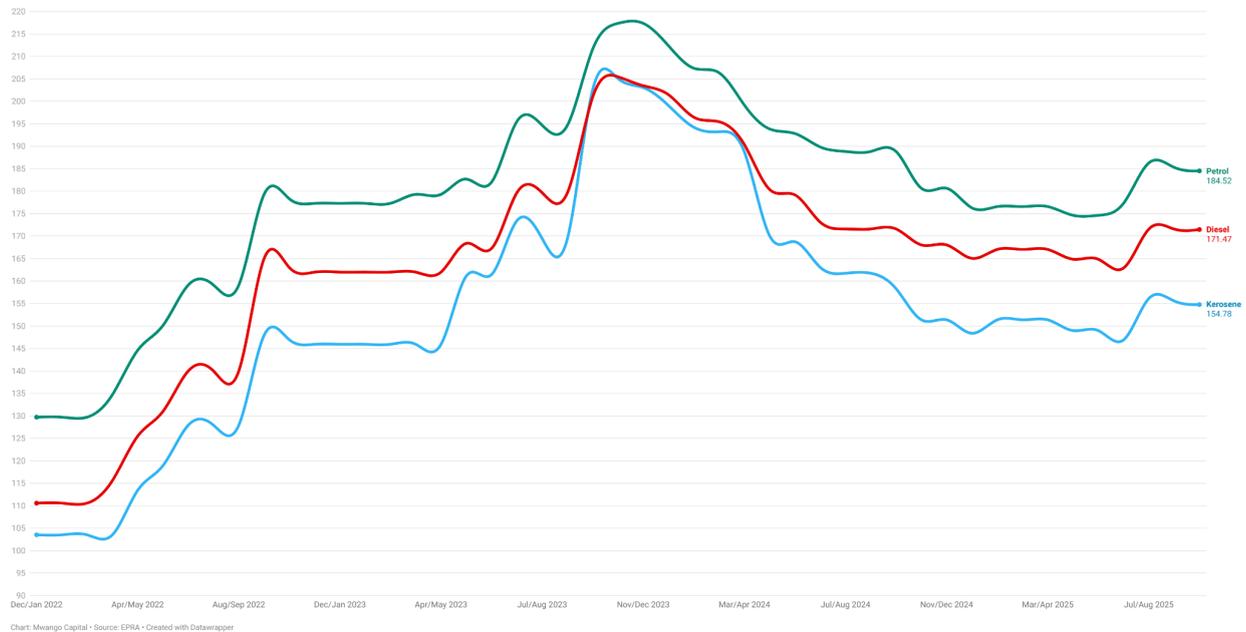


Chart: Mwango Capital • Source: NSE • Created with Datawrapper

✓ | **NPRT Cleared to Acquire Majority Stake in Nation Media Group** | NPRT Holdings Africa has secured [approval](#) from Kenya's Capital Markets Authority to acquire a 54.08% stake in Nation Media Group from the Aga Khan Fund for Economic Development. The deal, still pending final regulatory clearances, has been exempted from the requirement to make a mandatory takeover offer to other shareholders, with NPRT confirming it has no plans to purchase additional shares beyond the agreed stake.

📊 | Fuel Prices Record Marginal Reduction in September Review | The Energy and Petroleum Regulatory Authority announced small cuts in pump prices for the period September 15 to October 14, 2025. Super petrol will retail at [KES 184.52](#) per litre after a KES 0.79 decrease, diesel drops by KES 0.11 to KES 171.87, while kerosene falls by KES 0.80 to KES 154.78 per litre.

Maximum Fuel Prices in Kenya since January 2022 (KES per Litre)



🚧 | Sanlam Kenya Calls EGM to Vote on Renaming to Sanlam Allianz Holdings | Sanlam Kenya has [convened](#) an Extraordinary General Meeting for October 9, 2025, where shareholders will vote on renaming the firm to Sanlam Allianz Holdings (Kenya) PLC. The proposed change follows the launch of SanlamAllianz, a pan-African joint venture between Sanlam (60%) and Allianz (40%) in September 2023, which brought together their operations in 27 African countries.

💰 | KCB and Afreximbank Commit \$800M to Support Vipingo SEZ | KCB Group PLC and African Export-Import Bank (Afreximbank) have signed a Memorandum of Understanding to provide financial and trade facilitation support for investors in the Vipingo Special Economic Zone (SEZ) in Kilifi County. Afreximbank will commit [USD 500M](#), while KCB will contribute USD 300M towards the initiative. The deal, announced at the Arise Kenya Investment Forum 2025, will provide financing support to investors in manufacturing, agro-processing, logistics, and value-addition at the SEZ.

🟢 | Safaricom Launches Major M-PESA Upgrade | Safaricom has completed its largest M-PESA [upgrade](#) since 2015, introducing a new core system that raises

processing capacity to 6,000 transactions per second, up from 4,500, with scope to scale to 12,000. The upgrade also adds AI-powered monitoring and fraud detection while strengthening system resilience through multiple hosting sites.

 | **Kenya Plans KES 340B High Grand Falls Dam Project** | The government, with support from development partners, is planning to construct a 700MW High Grand Falls Dam in Eastern Kenya at an estimated cost of [KES 340B](#). The project, which would become the fourth-largest hydro dam in Africa, is expected to help meet rising electricity demand, which peaked at 2,392MW in August. Works are projected to begin within five years, with funding covering both land acquisition and construction.

 | **Jumia and Watu Credit Partner on Smartphone Buy Now Pay Later** | E-commerce platform Jumia has [partnered](#) with Watu Credit to roll out a buy-now-pay-later model that allows Kenyans to acquire smartphones through daily, weekly, or monthly instalments paid via mobile money. The initiative, which will initially be facilitated by Jumia agents before moving fully online, targets both first-time buyers and existing users seeking to upgrade to premium brands such as Samsung. Watu, which has financed nearly two million devices in Kenya since 2022, uses IoT-based locking software to ensure responsible repayments.

 | **Fed Cuts Rates by 25 Basis Points as Labor Market Weakens** | The US Federal Reserve [lowered](#) its benchmark interest rate by 0.25 percentage points to a range of 4.0%–4.25% at its September meeting, marking the first cut this year. The move followed signs of labor market weakness, including downward revisions to payroll figures, and comes despite inflation remaining above the Fed's 2% target. Projections suggest two additional cuts could follow in 2025, though the Fed's dot plot highlighted wide differences among policymakers on the future path of rates.

 | **Sonatrach and NOC Kenya Sign MoU on Oil and Gas Cooperation** | Algeria's state-owned Sonatrach and the National Oil Corporation of Kenya have [signed](#) a memorandum of understanding to explore joint opportunities in the oil and gas sector. The agreement covers potential collaboration in hydrocarbon exploration and production, supply of LPG and refined oil products to Kenya, and development of distribution networks for household and motor vehicle use. It also provides for cooperation on lubricants and petrochemicals, alongside training programs for NOC Kenya staff.

 | **Musk Buys \$1B Worth of Tesla Shares** | Elon Musk last week purchased about [USD 1B](#) worth of Tesla stock, his first open market buy since 2020, sending the

company's shares up more than 6% in early trading. The purchase, disclosed in a regulatory filing, increases his 13% stake as he continues to seek greater control, including a demand for a 25% holding. Tesla faces challenges from declining sales, the phaseout of US EV tax breaks, and intensifying competition, while the board has proposed a new pay package worth up to USD 1T tied to performance targets after a previous award was struck down in court. Musk's political activity has added further scrutiny, but the board maintains he remains central to Tesla's strategy during what it calls a transformative period.

| Leadership Changes |

- **Absa Bank Kenya:** Mohammed Nyaoga, former CBK Chairman, has been appointed Chairman of the Board effective October 1, 2025, weeks after joining as an Independent Non-Executive Director. He succeeds Charles Muchene. The bank also appointed Caroline Armstrong as an Independent Non-Executive Director, effective September 19, 2025.
 - **Nairobi Securities Exchange (NSE):** Thomas Mulwa, CEO of Liaison Group, has been appointed as an Independent Non-Executive Director.
 - **Kenya Electricity Transmission Company (KETRACO):** Eng. Kipkemoi Kibias has taken over as acting MD/CEO from September 19, 2025, replacing Dr. Eng. John Muoki Mativo. Kibias was previously General Manager at KETRACO and also served as Regional Manager at Kenya Power.
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Chart of the Week

GDP per capita (current US\$)

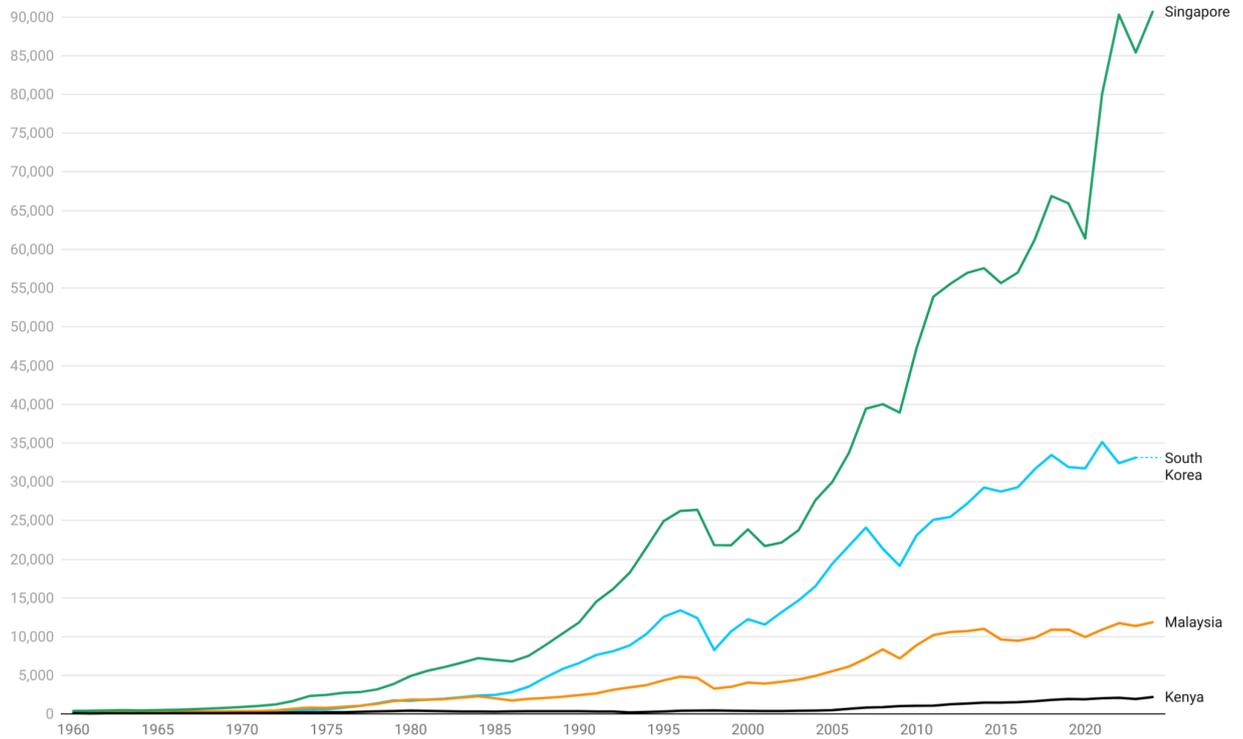


Chart: @MwangoCapital • Source: World Bank • Created with Datawrapper

Interest rates in Africa, 2025



For more, check out: <https://mwangocapital.substack.com/>