

MARKET SNAPSHOT

NSE MONTHLY STOCK PICKS - MARCH 2026

BANKING SECTOR



Bank	Logo	Ticker	Share Price as at 9th March (KES)	Book Value Per Share (KES)	EPS (Earnings Per Share)	Price-to-Book (P/B) Ratio	Dividend yield
HF Group		HFCK	10.80	9.22	0.55	1.17x	0.00%
NCBA Group		NCBA	87.75	73	14.06	1.21x	6.53%
Absa Bank Kenya		ABSA	30.05	18.51	3.32	1.62x	6.80%
Diamond Trust Bank		DTK	156.75	355.68	30.78	0.44x	4.46%
I&M Holdings		IMH	49.05	68.81	10.89	0.73x	6.46%
Stanchart Kenya		SCBK	340.50	173.61	37.05	1.90x	13.23%
Co-operative Bank of Kenya		COOP	29.90	27.98	4.74	1.07x	5.00%
Equity Group Holdings		EQTY	74.00	76.42	15.74	0.96x	5.70%
KCB Group		KCB	77.00	96.01	19.17	0.80x	4.52%
Stanbic Holdings		SBIC	255.75	187.86	33	1.38x	8.90%

ANALYSIS CRITERIA

This report uses the **Price-to-Book (P/B) ratio** to assess whether a bank's shares are undervalued, fairly valued, or trading at a premium relative to their net assets. In banking, where loans and deposits form the core of operations, book value provides a useful measure of underlying net worth.

Undervalued (Value Opportunity):

Diamond Trust Bank Kenya (DTK), I&M Holdings (IMH), KCB Group (KCB), and Equity Group Holdings (EQTY) are trading below their book value, which may indicate potential value opportunities.

Buy for Dividend Income:

Standard Chartered Kenya (SCBK) and Stanbic Holdings (SBIC) stand out for strong dividend yields, making them attractive for income-focused investors.

Fairly Valued:

Co-operative Bank of Kenya (COOP) and HF Group (HFCK) trade close to their book value, suggesting the market values them broadly in line with their net assets.

EDUCATIONAL MOMENT

What Does Price-to-Book (P/B) Mean?

P/B = Book Value per Share / Market Price per Share

- **Below 1:** You are paying less than what the company is worth. You're getting a bargain.
- **At 1:** The share is fairly valued, especially for strong, stable banks.
- **Above 1:** Investors are paying a premium, usually because they expect stronger future growth.

Dividend Yield

The Dividend Yield shows how much cash income an investor receives each year from dividends compared to the share price.

