



# THE ABC VISION

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## CUSTOMER FOCUS: ABC Bank supporting Kenyans in Diaspora to invest

**K**enyans living in the Diaspora play a critical role in the country's economic development, especially through investment of the millions of shillings they regularly send home. According to the latest statistics from the Central Bank of Kenya (CBK), non-resident Kenyans remitted \$106.4 million (about Kshs. 8.7 billion) in March 2012. Such remittances, which recorded a 48.7

per cent increase in March this year compared to the amount sent home in March 2011, are invested in various sectors of the economy.

"Although the investments we make at home are meant to benefit us and our immediate families, it is a fact that such investments contribute to the country's economic development, including creating jobs and growing our people's wealth," says Mr Stanley Wahinya Ngotho, who is based in Afghanistan.

ABC Bank Group, in recognition of this important role the non-resident Kenyans play in the economy, has facilitated them through, among others, provision of advisory services. "The provision of professional and up-to-date advisory services is as important to successful investment as is financing. That is why our qualified and experienced staff are always working hard to offer our customers the latest research-based advice on whatever investment they could like to make," says Ms. Amanda Corline, ABC Bank Head of Retail Banking.

Mr Ngotho, who has invested in the stock market and the real estate sector, is one of the Bank's Diaspora customers who has benefited from the support of the custodial and financial services department. "My advisor, Purity Muriuki, has been helpful to me by guiding me on my investments in the stock market (NSE)," he said. The Group offers the advisory services through its custodial and financial services department and affiliate company, ABC Capital Ltd, which is a Nairobi Securities Exchange (NSE) member.

What are his future investment plans? "The two (stock market and real estate) investment options are my primary priority as of now. But in future I would like to venture into the hospitality business," he says. He is assured of the Bank's support. "When the time comes for him to venture into the hospitality industry, we will be ready and willing to work with him by providing him with all the prerequisite information and other assistance he will need to succeed in his venture," Ms. Amanda promised.



Mr. Stanley Wahinya Ngotho, an ABC Bank Diaspora customer who is based in Afghanistan.

**We now conveniently offer you custodial and financial services at your nearest ABC Bank branch countrywide. We offer you among others:**

- Shares trading
- Custodial Services
- Treasury bills and bonds trading
- Portfolio Management



This is the last month of what has been a hugely successful first half of 2012.

With your goodwill, support and loyalty, the six months of this year have been marked by various milestones for us -you our esteemed customer, and us, as ABC Bank Group.

So far we entered into strategic partnerships with key organisations, signing a Euro 7 million facility with the European Investment Bank (EIB) and a Memorandum of Understanding with Export Processing Zones Authority (EPZA) to support small and medium enterprises.

During the period, we were also feted at the 2012 Think Business Banking Awards in which we won three awards, among them, the Best Bank among Banks with total assets of more than Kshs. 10 billion but less than Kshs. 40 billion.

I am happy to note that we have taken our channels for interaction with you to the next level. Through our new chat service, we have opened a new avenue for you to not only reach us easily, but also engage us in real-time. Try it out today!

We recognise that that mere communication without offering you innovative products and services will not bear any fruits. In line with our quest of constantly innovating, we will soon be launching The ABC Connections – our guide to assist you in your efforts to invest in Kenya. Through this newsletter, we seek to keep you informed on the numerous opportunities arising in this country so that you can stay abreast and possibly take advantage of them. This in our response to the feedback we received from you, our customer, during our Customer Satisfaction Survey, which we held earlier this year.

In it we will provide you with up-to-date investment news and providing solutions for a hassle free investing besides linking you vendors and professionals – lawyers, valuers, contractors, architects-vetted and approved by the Bank. Watch this space.

We are working on many more initiatives to strengthen our relationship with you whose rollout we will inform you in the subsequent issues. Should you have any suggestion, comment or idea, please reach us through [talk2us@abcthebank.com](mailto:talk2us@abcthebank.com) or logging onto our chat system through our website [www.abcthebank.com](http://www.abcthebank.com). While there, click on the chat window and then follow the directions.

Happy reading!



Group Managing Director



## ABC Bank Group records profit growth in the first quarter of 2012

ABC Bank Group has recorded increased profitability for the first three months of this year, according to the results released on May 23, 2012.

The Group's profit after tax grew to Kshs. 73.4 million for the period ending March 31, 2012 up from Kshs. 68.5 million recorded over a similar period in 2011.

"These are good results taking into account that the economy is still recovering from the challenges, such as high interest rates, rising inflation, etc, that spilled from the second half of 2011 into the early part of this year," said Mr Deviinder Gupta, ABC Group Chief Executive Officer.

During the period under review, the Group's profit before tax increased to Kshs. 104.4 million for the three months to March 2012 up from Kshs. 98.6 million in March last year.

Its total assets rose from Kshs. 11.5 billion in March 2011 to Kshs. 13.6 billion in March this year. The Bank's performance has been driven by increased efficiency, prudent investment and sound cost management measures.

"We expect to perform even better going forward as the investments we have made in the business and the strategic partnerships we have entered into begins to bear fruits," said Mr Gupta.



[Click here to chat with us NOW](#) or log on to: [www.abcthebank.com](http://www.abcthebank.com) to do so later.

Customers of ABC Bank Group can now reach the Bank through a new and faster channel - ABC Bank live chat service.

**Taking communication with customers to the next level**

The service, which is handled by a team of dedicated, qualified and experienced staff, enables the customer to interact with the Bank in real time.

"This is one of several avenues we will be availing to our customers to improve our communication with them," said Ms. Wambui Kaguongo, ABC Bank Head of Marketing and Product Development.

It is as easy as saying ABC! Just log onto our website [www.abcthebank.com](http://www.abcthebank.com) and then click on the chat window or simply [click here](#).

Initially, the chat service will operate from 8a.m to 5.30pm as part of a pilot test. After the pilot test, the service will gradually extend its hours of operation to working round the clock, that is, 24 hours in a day.

"We expect to extend the service into a 24-hour operation so that our customers residing in countries whose time zones are different from what we have here at home in Kenya can reach us conveniently for real time resolution of issues," she said.



## Target Account: ABC Bank's way to meeting your objective

*ABC Vision's Q & A with Amanda Corline,  
Head of Retail Banking*

**Q:** ABC Bank has different accounts for its customers –local and Diaspora. Is there any one you would recommend to Kenyans in the Diaspora?

**A:** We have suitable accounts for our Diaspora clients depending on their individual needs at different times. We have suitable accounts for our Diaspora clients depending on their individual needs at different times. We have a wide range of everyday transactional accounts, savings accounts for both adults and children and accounts geared towards investments and high returns. For our Diaspora customers who wish to accumulate savings while earning a higher than average return, the target account may be of interest.

**Q:** Why do you recommend this particular account?

**A:** This account enables any of our Diaspora customers to achieve his or her dreams and goals by setting his or her savings target and the period within which to achieve it by encouraging disciplined saving. The good news to our clients is that it earns interest on a monthly basis on the money a customer has in his or her account (account balance).

**Q:** What are its key features?

**A:** The minimum opening balance for this account is Kshs. 1,000. One is then free to make monthly installments from as little as Kshs. 1,000 per month. As I have said from above, the interest is earned on this account on a monthly basis. The account has a flexible saving period of between six months to ten years. It can also be opened in various foreign currencies – USD, Euro and GBP. There are no hidden charges to the account, hence one is assured that he or she will get back all the money he or she has saved.

**Q:** What does one need to open this account?

**A:** It is simple to open a Target Account. All our customers need is a letter requesting the Bank to open the account and Kshs. 1,000 minimum balance. For non account holders, all we need are two passport-size photos and a copy of their national I.D. or Passport to open it after filling a form.

**Q:** Is it possible for a next of kin to access the funds in this account?

**A:** This can only be done once the account holder has given the necessary instructions in writing and made all the necessary introductions of the next of kin.



**Achieve your hopes, dreams and goals with the ABC Target Account.**

Whether it is your dream holiday, wedding, a car, emergencies or education for your child, the ABC Target Account is tailored to help you save and grow your money over time to meet these goals.

- Rewarding incremental interest rates
- Flexible saving durations of 6 month - 10 years
- Competitive interest rates
- Ease of saving using internal & external standing order instructions
- And so much more

Write to us on [talk2us@abcthebank.com](mailto:talk2us@abcthebank.com) for more information.



## NSE: Benefits of investing in the stock market

*ABC Vision's Q & A with Sam Okello,  
Ag. Chief Executive Officer, ABC Capital*

**Q: Why should Kenyans in the Diaspora invest in the stock market?**

**A:** The stock market is a good investment option for both our customer and non-customer Kenyans in the Diaspora to diversify their investment portfolio. This is because investing in the Nairobi Securities Exchange (NSE) has the potential of offering an investor many advantages including: -

**Income:** This accrues in the form of dividends on shares or interest on bonds.

**Capital Gains:** Long-term price appreciation of shares or bonds leads to growth in capital and wealth for investors. An investor can also benefit from short-term price gains by selling his or her shares for a profit, which is tax-free. Also, the size of one's investment could grow at an affordable cost whenever companies issue bonuses or carry out rights issues.

**Tax Advantages:** Tax such as withholding tax on dividends and bonds, which is 5 per cent and 15 per cent respectively for locals, is very low when compared to other investments that attract higher taxes. Certain bonds such as infrastructure and social services bonds are also exempted from taxes provided they have tenure of at least three years.

**Collateral:** Securities (shares) represent stocks of wealth and can be used as collateral to secure financing such as loans from lending institutions, including banks.

**Confidentiality:** Investing in securities guarantees an investor a good room for confidentiality in managing his or her wealth since shares are intangible in nature.

**Flexibility:** Shares are traded in units and lots that are affordable by investors of different income levels. Bonds are also affordable with a minimum of Kshs. 50,000 when compared to alternative investments such as real estate. As such, investment in securities can be arranged to match specific incomes of investors.

**Convenience:** Investing in securities does not require the personal commitment of the investor for it to earn a return. Investors are, therefore, saved the occupational hazards of careers, as opposed to other businesses that need the personal presence and involvement of the entrepreneur.

**Liquidity:** Shares and bonds are easily transferable at a small cost compared to other assets such as real estate. Therefore, an investor can buy and sell shares at considerable convenience.

**Q: Do they have to save a lot of money before starting to invest in the stock market?**

**A:** No. An investor can buy as little or as much as he or she can afford. It is also possible to invest very little money in groups of small investors pooled together by money managers in the market. Shares are bundled in minimum lots of 100 shares and above in the main market boards. Bonds are sold in minimum bundles of Kshs. 50,000.00.

**Q: Does ABC Bank facilitate non-resident Kenyans to invest in the stock market?**

**A:** Yes. We assist our customers in the Diaspora wishing to invest in the stock market through ABC Bank's custodial and financial services or ABC Capital. We assist them by providing them services, including financing, advisory services and custodial services. Through ABC Capital, we assist Diaspora clients who may want to invest in Government of Kenya Treasury Bonds.

**Q: Any requirements?**

**A:** The investor is required to register his/her CDS (Central Depository System) account with the Bank by filling a CDS account opening form. He/she also needs to provide the following documents duly notarized: two recently taken passport-size photographs, a copy of their national ID or passport and, if it is a company, a certificate of incorporation. For an organisation registered in any other way, we need a certificate of registration (Directors of the Company will have to provide notarized copies of their ID cards and recent passport size photographs).



Send your love back home  
quickly and safely.





Dear Rosemary, I received your mail this morning but I did not understand what you meant with the new instructions on settlement of the account. Please I am far away from Kenya and I need your assistance because I don't want to mess up with my dollar account. Yours faithfully,  
**J.K**

Dear J.K, Thank you for writing to us. The communication was meant to inform you and all of our customers of our new swift address. These changes took effect on 15th May, 2012 after we changed our correspondent bank from Citibank to Standard Chartered Bank. This (new swift address) applies to any funds received from international sources in USD, GBP and EUR into your account, whether it is your salary or other payments. We have notified your employer of the change in the swift address. Nevertheless, it is important for you too to notify your employer of the changes. Please note that this will not affect your standing orders and any other transactions on your account. Should you feel that you require further advise please do not hesitate to contact us. Have a nice day. Kind regards,  
**Rosemary Kiboro,**  
**Officer Quality Service, ABC Bank.**



Good evening, I have been sending transfer of funds forms and all I am told my signature differs (from the one originally presented to the Bank). Please I have been using the same signature for two years and I have never had this problem before. Please help me because I have been following up on this for three weeks.  
**J.G.**

Dear J.G,  
Thank you for writing to us. Please be advised that when a signature differs from the one you provided to the Bank initially, no transaction can be effected. This is to protect both your interests and those of the Bank's. In your case you have been unable to sign as per the existing signature in our records, it is advisable please for you to send us a new signature by filling in an accounts services form. Kindly complete the attached account services to enable us update your records with us. We look forward to hearing from you. Thank you so much for banking with us. Have a nice day. Kind regards.

Dear Josephat, Hope this email find you well. I write to inform you that your money transfer requests have been effected. Please see attached screen shot of your account to confirm the same. Thank you so much for banking with us. Have a good afternoon.  
**Rosemary Kiboro,**  
**Officer Quality Service, ABC Bank.**

Dear Rosemary, Thank you so much. You are the best.  
**J.G.**



Dear Sir/Madam,  
Kindly elaborate on the above (new settlement instructions) subject. I would particularly like to know whether it will, in any way, affect the monthly transfer of my salary to my account from my employer.  
Kindly revert urgently.  
Regards,  
**T.K**

Dear T.K.,  
Thank you for writing to us. This will not affect your transfers in any way. It is only a convenient way of remitting your salaries hence no cause for alarm.  
Thank you so much for banking with us.  
Have a nice day.  
Kind regards,  
**Rosemary Kiboro,**  
**Officer Quality Service, ABC Bank**



**You are the reason  
we came to work today.**

Dear Customer,  
Are you in Kenya or in any other country in the world?

No matter where you are, you can now easily send us your complaints, compliments and queries. We are all ears on:

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Chat  **www.abcthebank.com**

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