



THE ABC VISION

Diaspora Edition, July 2012, Issue No. 6



CUSTOMER FOCUS:

Challenges: Your vital lesson to investment success

A number of Kenyans in the Diaspora have faced many challenges in the process of investing at home, with some of them burning their fingers along the way. This has seen many giving up while others, using such challenges as a learning experience, have soldiered on to make successful investments in Kenya.

Mr Josphat Wachira is one such Kenyan who has had to soldier on

despite facing many hurdles while trying to take advantage of the investment opportunities available back at home. "I have lost money many times. For example, sending money for a certain purpose only for the recipient to use it for his or her own benefit," says Mr. Wachira who has been working in Qatar since 2008.

Mr Wachira has overcome the setbacks by adopting a new strategy. "I save (money) until the time I get a vacation, which is usually twice or thrice a year. I then come home and invest myself in whatever project I prefer," he says, "mainly in the property sector."

The projects are, however, overseen by his immediate family while he is away in the Middle East.

He is one of the beneficiaries of ABC Bank's market research-driven innovation, which has seen the Bank rolling out products and services designed to meet the needs of individual customers, whether retail or corporate.

His efforts to save have greatly been facilitated by the Bank's Pure Savers Account, which is a solution for

customers, especially non-resident Kenyans, who want to save and earn higher interest on their savings with no account maintenance charges.

He says he settled for ABC Bank because of its use of information and communication technology (ICT) in serving its customers. "One of the major reasons I chose ABC Bank is that I realised most of the local banks don't have efficient online services, which we in the Diaspora desperately

need. I especially like the ABC Bank live chat service, which enables me to get instant answers to my queries," he says.

Mr Wachira says he found the Bank's Diaspora Banking department staff "to be so effective" and the Bank's money transfer service - instant cash services- very efficient. "I am aware the Bank would assist me to invest in many sectors (beyond real

estate). I am looking forward to Bank to facilitate me in venturing into other sectors of the economy," he says.

Ms. Amanda Corline, ABC Bank Head of Retail Banking, urged Mr Wachira and other non-resident Kenyans to consult the Bank so that our experienced staff can advise them on how they can tap into investment opportunities available in the country.

She noted that they could benefit from the great depth of expertise within the Group's affiliate companies, ABC Capital, a member of the Nairobi Securities Exchange (NSE) and ABC Insurance Brokers Ltd., which is licensed by the industry regulator, the Insurance Regulatory Authority (IRA).

They can also gain from the services of the Group's real estate partners, Developing Afrika Limited (formerly Social Capital Group Limited). "Our policy is that each customer is unique and our goal is to find a way of facilitating to meet their individual financial objectives," said Ms. Corline.



Mr. Josphat Wachira an ABC Bank Diaspora customer who is based in the Middle East.

Let me start by expressing our sincere gratitude to you for your overwhelming response to the launch of our newest interaction channel - ABC Bank live chat service.

For those who have not yet tried it out, just log onto our chat system through our website www.abcthebank.com.

While there, click on the chat window and then follow the simple directions to start engaging us in real-time.

So far the feedback – suggestions, inquiries, complaints, compliments or just salutations – we have received through the service has been very encouraging to us, spurring us to come up with even more innovative products and services.

It is in this spirit of innovativeness, and in keeping with the promise we made to you in the last issue, we are launching this month. The ABC Connections – our guide to assist you in your efforts to invest in Kenya.

We hope you will take full advantage of this newsletter to identify and tap into the numerous investment opportunities in the country we will be regularly availing to you.

But as we increase our products and services range, we are also expanding our footprint. I am happy to inform you that we successfully opened our Lamu Branch on June 18, 2012.

We are aware that the opening of this branch, which is our 10th branch in our growing network, has been possible with your continued support, encouragement and loyalty. For this, we say thank you.

We hope to hear more from you through our [chat service](mailto:talk2us@abcthebank.com) or talk2us@abcthebank.com.

Happy reading!



Group Managing Director



ABC Bank expands its footprint to Lamu County

Nairobi (four branches) and one branch each in Mombasa, Meru, Nakuru, Kisumu and Eldoret.

Mr. Shamaz Savani, ABC Group Managing Director, said the Branch sets the tone of the Bank's growth programme under its strategic plan.

"It sets the tone for our expansion program whose key objective is to see us operating by 2017 in all major counties which are going to support the growth of Kenya's GDP," said Mr. Savani.

Customers of the Branch will benefit from the Group's wide range of products – personal, corporate and SME banking services – and support from the Group's affiliate companies.

These are ABC Capital Ltd and ABC Insurance Brokers Ltd, which are members of the NSE and the Association of Insurance Brokers in Kenya (AIBK) respectively.

ABC Bank has opened its newest branch in Lamu. The branch, which is located on the beach front along Kenyatta Road, joins the Bank's other nine branches in



We are now offering you premium ABC service at our 10th branch located in Lamu town.

ABC Bank, is now open for service in Lamu town and its environs.

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George Wanga (L), ABC Bank Koinange Branch Manager, leads the Bank's staff in donating reading materials, including books, to Rose Ayuma (3rd R), the founder, and a staff member and a pupil of Huruma Community School – Imara Daima, Nairobi.



Mr Samuel Hawala (R) of ABC Bank Mombasa Branch, explains a point to a participant who visited the Bank's stand during the 1st African-Caribbean Pacific Economic Zones Convention 2012 held in Mombasa on May 23-25, 2012. Appearing in the picture is Mr Shamaz Savani (2nd L), the Group MD. The Bank was one of the sponsors of the convention.



Mr. Ambrose Mwachilumo (R), Relationship Officer, ABC Bank Retail Banking, engages participants at the Faith Evangelistic Ministries (FEM) Business Workshop, held at Nairobi Pentecostal Church (NPC) Karen, Nairobi on April 21, 2012.



Ms. Amanda Corline (L), ABC Bank Head of Retail Banking, hands over bundles of newspapers to a trustee of The Cluster Foundation, Mr. Nick Guyo. The Foundation recycles the newspapers to produce eco-pencils. It sells the pencils to the public to raise funds towards supporting its programme of assisting people with spinal cord injuries (paraplegics). The Bank has committed to continue supporting the Foundation by donating all its old newspapers quarterly.



Kenya shilling in 2012 Its performance in June and projections for July

By ABC Bank, Treasury

The Kenyan shilling (Kes) has continued to trade in a wide range after opening the month of June at 86.00 units to the US dollar. It has gained 2.5 per cent during the month to close at 83.85 to the dollar as at close of trade on June 20, 2012.

The local unit has remained stable supported by several factors.

First, the tight liquidity or short supply of Kes in circulation in the money market. This is because of the continued mopping up of Kes by the Central Bank of Kenya (CBK), the banking industry regulator, through repurchase agreements (Repos). CBK has also introduced longer term repos, further draining liquidity from the market.

A repo is an arrangement between the CBK and commercial banks where the regulator takes money (Kes) and gives out a security e.g. Treasury Bill or Bond from a bank and 'repurchases' the same security at a future date by paying back the commercial banks money borrowed. In simple terms, CBK borrows funds from the money market by offering a security and returning the same funds later by repurchasing its security.

Secondly, a buildup in foreign exchange (FX) reserves and the recent securing of the Sh52 billion (USD 600 million) syndicated loan by the government from international banks to finance revenue shortfall in the 2011/2012 budget.

Thirdly, major currencies have also strengthened against the dollar bringing increasing investor appetite for riskier currencies including the Kenya shilling.

Highlights

Opening Rate: 86.00

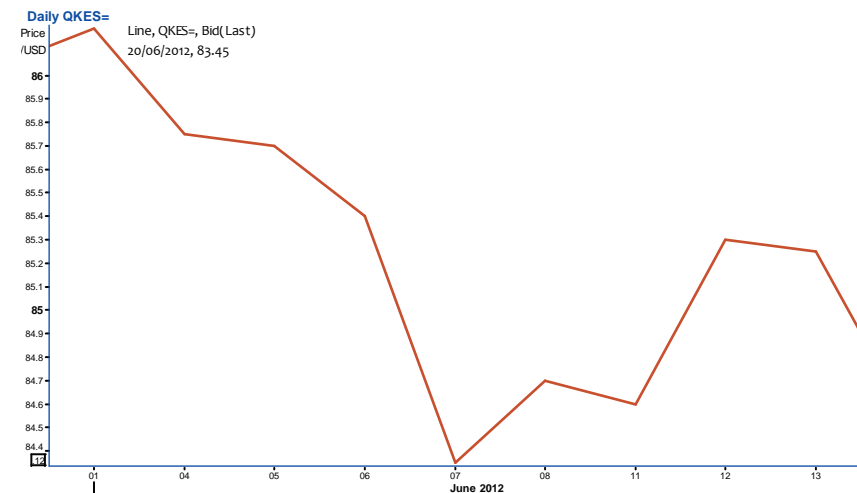
High for the Period: 86.30

Low for the Period: 83.50

Closing Rate: 83.85

Range for the Period: 83.50 – 86.30

Below is a Kes graph for the month of June 2012



Projections on the shillings performance in July 2012

The shilling is expected to strengthen due to the tight liquidity conditions and CBK's aggressive mopping up of Kes through Repos.

- The US dollar is likely to weaken against the shilling due to the reasons given above.
- The upcoming 10-Year Government Bond is expected to attract foreign investors and hence dollar inflows into the country.
- US dollar inflows from the tourism sector as we approach the high season (mid June to October) will also lend support to the local unit in the coming days.



ABC Capital Ltd.

Over 50 years of offering innovative investment management expertise.

ABC Capital has been a member of the Nairobi Stock Exchange since its inception in 1954. We therefore share a rich heritage in the fortunes of the leading stock exchange in the Eastern Africa region.

Trading

- Equities
- Fixed Income: Treasury bills & bonds
- Custodial Services

Portfolio Management

- Discretionary Portfolio Management
- Non-discretionary Portfolio Management

Agent Relations

Corporate Finance & Advisory

- IPOs (Initial Public Offers)
- Commercial Paper
- Corporate Bonds
- Mergers & Acquisitions
- Private Placements

Research

Talk to us on: +254 (20) 2246036/2242534 | customercare@abccapital.co.ke



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We have a suitable foreign currency account for Diaspora clients

Q & A with Joel Mbuvi, Head of Treasury, ABC Bank

Q: Are there any products ABC Bank's Treasury Department would recommend to our Diaspora customers?

A: Under Treasury, we have a wide range of products. We have spot

foreign exchange, which is a transaction where the settlement date is within two working days. The product enables clients to transact cross-border trade settlements in various currencies. There is the forward foreign exchange product, which is a transaction where the settlement date goes beyond two working days and ranges between one and 26 weeks. The forward contract enables importers and exporters to hedge against adverse foreign exchange fluctuations. We also have the currency SWAPs. These are transactions where a client switches from one currency to another at a specific pre-agreed price and on maturity receives back the initial currency. They are normally helpful where the client does not want to fully convert one currency for another e.g. a client might be having US dollars that he might not want to convert. But he might have some obligations in Kenya shillings. He will then swap his US dollars for Kenya shillings currently and, on maturity, will swap back the shillings for US dollars. We also have the foreign currency fixed deposit accounts, which are fixed deposit accounts denominated in foreign currency. For non-resident Kenyans, we would recommend in the foreign currency deposit accounts.

Q: Why are you recommending the foreign currency deposit accounts. What do these accounts offer?

A: These are current accounts and fixed deposit accounts denominated in foreign currency.

Q: Exactly in what currencies are these accounts denominated?

A: The accounts are in US dollars, Euros or Sterling Pounds.

Q: What are the benefits of this account?

A: The advantage of these accounts is that the client is able to hold hard or foreign currencies and exchange for Kenya shillings when the rate is favourable.

Q: What interest do these accounts earn?

A: Interest rates on fixed deposit accounts are earned depending on, among others, the amounts invested by the client.

Q: Is there a minimum amount one is expected to open the account with?

A: The minimum amount for fixed deposit accounts is US \$10,000 or equivalent in other currency. The account has no monthly maintenance fee and no incoming remittances charge.



Time is (now, more than ever) money!

Open a foreign currency (fixed) deposit account with ABC Bank today and enjoy attractive returns on deposits.

For more information talk to us on:

talk2us@abcthebank.com

+254 (20) 4263000



I would like to know the status of my account, including the number of deposits and withdraws I have made.
Thank you,
W.J.K.

Dear J.C.W,
Thank you for writing to us.
We are not allowed to give balances online for your own security and that of the bank. I would suggest that you apply for online banking services by completing the attached forms. With online banking you will be able to view and monitor your account any time. I look forward to hearing from you. Thank you so much for banking with us. Have a nice day.
Kind regards,
Rosemary Kiboro,
Officer Quality Service, ABC Bank.



Dear Rosemary,
I hope this mail finds you well. I am writing to find out if there is a way I can write a standing order while I am away from Kenya. I have a dollar account with ABC Bank and would like to write a standing order for a person holding an account with ABC Bank. Kindly advice me on what I need to do or what papers I am required to fill out. Thank you in advance.
Kind regards,
J.M.N.

Dear J.M.N.,
Thank you for writing to us. It is possible to give us standing instructions while you are away. Kindly complete the attached forms to enable us set the instructions in your account for you. Please ensure that your beneficiary's bank details are correct and the dates you will give us are comfortable for you. We look forward to hearing from you. Thank you so much for banking with us.
Have a nice day.
Rosemary Kiboro,
Officer Quality Service, ABC Bank.



Dear Customer Care,
Please see the attached transfer of fund and indemnity forms. Please I would like this transfer to be effected at the end of your business time June 13, 2012.
Your help is highly appreciated.
Thank you,
I.A.B.

Dear I.A.B,
I hope this email finds you well this evening. I write to inform you that your transfer request was effected this morning (June 13, 2012). Thank you so much for banking with us. Have a good evening.
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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