



THE ABC VISION

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Kenya: A good investment destination for your money

Some people do not rate Kenya highly as an investment destination. But for many Kenyans, especially those living and working in other countries, the East African country is a land of opportunities waiting for one to invest in and grow their wealth.

“Before I left to work in the Middle East, I considered Kenya as a good (investment) destination. My view has not changed even today because I still consider it a great country with many opportunities for one to invest in and

realise good returns on their money,” says Jeremiah Kibunja, a Kenyan who has been working in Qatar in the past six years. He says the increased application of the information and communication technology (ICT) across the economy by individuals and organisations like the Nairobi Securities Exchange (NSE), has transformed Kenya into an exciting regional investment hub. With the country implementing its long-term economic development blue-print, Vision 2030, many opportunities are opening up across the economy, which investors can tap into. These include potential opportunities in, among others, the stock market, property/real sector, trade, finance, infrastructure, ICT and agribusiness.

Mr Kibunja, who has been an ABC Bank customer for the last two years, is happy with the Bank, especially because of its customer service.

“By constantly keeping in touch with me and responding to my needs, ABC Bank has shown that it is not only committed, but also greatly values its customers. I had no option but to start banking with ABC Bank,” says Mr Kibunja who has convinced several of his friends to start banking with ABC Bank.

It is a relationship, he says, that has benefited him greatly.

“I have saved and invested more (in Kenya) in the last two years that I have banked with ABC Bank than I had done in the four years before (becoming the Bank’s customer),” he says. He has invested in the property market by acquiring plots, which he plans to develop, and the NSE.

“With the support of ABC (Bank), I have started trading in shares at NSE, settled transactions of (my) various plots by easily transferring the cash to other banks for payment (for the plots) and benefited from sound investment advice from the Bank’s personnel,” he says.

Just like Mr Kibunja, other customers would invest in the stock market through the ABC Bank Custodial and Financial Services or the Group’s affiliate company, ABC Capital, which is a member of the NSE.

For those interested in investing in the property market, the Group’s real estate partners, Developing Afrika Limited (formerly Social Capital Group Limited) are on hand to assist.

“Our customers are in safe hands with us because we are a one-stop-shop financial services provider,” says Ms. Amanda Corline, ABC Bank Head of Retail Banking.

The Group also offers insurance services through ABC Insurance Brokers Ltd, which is licensed by the industry regulator, the Insurance Regulatory Authority (IRA).

Mr Kibunja, however, says the country needs to address a few challenges such as lack of adequate information to enable more Kenyans to invest wisely, instead of gambling their money in risky ventures such as pyramid schemes.

He cites the Philippines and its investment policies for its citizens going to work abroad. For instance, such citizens have to undergo a month-long training on saving and investment.

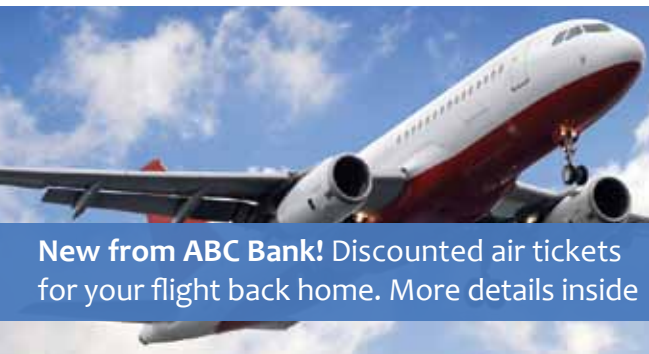
“This enables its people to wisely invest back at home (Philippines), a strategy Kenya could borrow,” says Mr Kibunja, who works as a safety officer with a leading airline in the region.

He urges non-resident Kenyans to “shape” their dream by utilising the benefits of modern technology to access information on the investment opportunities available in Kenya.

“There are quite a lot of investment opportunities one can tap into and save themselves from stress of trying to earn a living on their return,” says Mr Kibunja, “but they have to believe in what they want and take action.”



Mr. Jeremiah Kibunja, an ABC Bank Diaspora customer who works in the Middle East State of Qatar



New from ABC Bank! Discounted air tickets for your flight back home. More details inside



Right from the inception of this newsletter, our main goal was to create an interactive platform through which we would share with you our efforts at providing products and services that meet your personal and business goals.

We were also keen to improve our customer service and general responsiveness to your feedback.

Several months later, our focus is unwavering, and while it may be too early to determine whether we have achieved our objectives or not, we are certainly heartened by the feedback we continue to receive.

In response to your feedback, we have recently launched our salary advance product, which allows our salaried customers access to cash in between pay checks. This is our way of reaffirming our commitment to facilitating you to meet your financial commitments at all times.

Coupled with our investment guide -ABC Connections, whose first edition we sent to you early last month, we believe we are carving out a good path towards supporting you towards achieving your investment needs.

Going forward we will provide you with wider and more affordable options for investments in the e-guide.

Keep your suggestions flowing through our chat service or talk2us@abcthebank.com.

Thank you,

Group Managing Director



ABC Bank: We transfer your money fast, safely & efficiently

Q & A with Wambui Kaguongo, Head of Marketing & Product Development

Q: It is self-evident that non-resident Kenyans need money transfer services to send money to their families and friends back home for personal use and investment. Is ABC Bank offering its Diaspora customers any money transfer services?

A: Yes we are offering our Diaspora customers a wide range of money transfer services through which they are able to send money to their families, relatives or friends back at home.

Q: What are these services?

A: For international remittances, we offer three types of globally-recognised money transfer services. These are Western Union, Instant Cash and Ria Money/Euro Cash. For our international bank transfers we offer Foreign Demand Drafts and SWIFTS. We will soon be launching a revolutionary money transfer product.

Through a new partnership we are negotiating, our clients can send funds directly to their bank accounts, allow online money remittances via cards (credit or debit) and make payments anywhere across the globe easily and very cost effectively.

Q: What measures have you put in place to ensure that these services meet your customers' expectations?

A: Our money transfer services are well-researched, carefully designed and stringently tested products in line with best international safety standards. In order to better serve our customers, we are continuously training our qualified staff while constantly upgrading our systems and processes in response to our market research, customer feedback or market dynamics. This means we are able to transfer our customers' money in a fast, safe and efficient manner.

Q: Are they open to all customers and non-customers?

A: Yes these services are open to both our customers and non-customers who need to access world class services.

Q: Does it matter which country one is residing in?

A: No it does not matter what country one is residing in as long as one can access an appointed agent for any of the money transfer services we have highlighted above.

Q: What are the requirements for one to benefit from these services?

A: All a client needs is the money to send and the correct details of the recipient. In addition to this, they will need a form of identification such as a national identity card, a passport or military identity card. In addition to this, there is a unique code generated per transaction in all these services. This code is what the sender will need to relay to the recipient. For services such as Western Union, the sender may be required to provide a secret question and answer. In this case, the recipient will need to have these details as well. The recipient will then come to any branch of ABC Bank and withdraw their funds. For Instant Cash, the existing ABC Bank clients can remit funds back to their accounts held in the Bank.

Q: Any charges?

A: For all services above, the sender will incur a small sending fee.



Send your love back home quickly and safely.



Economy: Bright prospects for investors By ABC Capital

Analysts are projecting that Kenya's economy would continue recovering from the challenges it faced in 2011 –high inflation, rising interest rates, weakening of the shilling, high food and fuel prices etc –in the second half of this year.

This, according to the latest World Bank economic report on Kenya launched in June 2012, would see the country's economy growing at 5 per cent in 2012.

This is largely due to a combination of factors.

The report, which was launched by Mr Johannes Zutt, the World Bank Country Director for Kenya, projects that inflation, which is a measure of the cost of living in terms of the prices of goods and services, will remain below 10 per cent during the second half of 2012, from a high of nearly 20 per cent earlier in the year.

"Interest rates are also expected to fall and the exchange rate to return to "more competitive levels", factors that will spur economic activity. Kenya's debt level has also fallen below 45 per cent of the Gross Domestic Product (GDP)," says the WB report.

It is a projection echoed by analysts at ABC Capital, an affiliate of ABC Bank Group.

"Inflation expected to continue falling in the third quarter but at a slower rate," say the analysts in a report they sent to their customers on July 24, 2012.

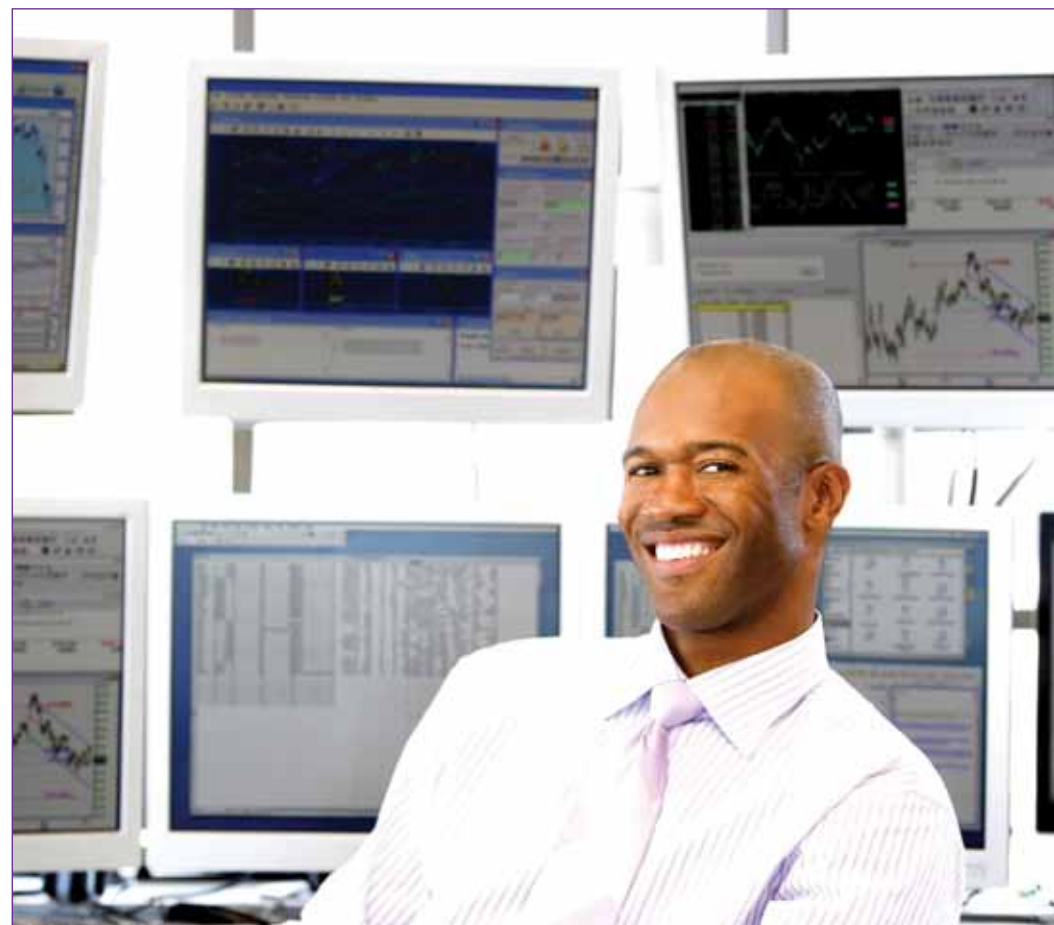
They project that investors, especially in the Nairobi Securities Exchange (NSE) would have a good run in the remainder of 2012.

"The good returns will be from capital gains as the improved market activities is expected to sustain up to the year end," they say.

More investment opportunities are expected to open up in other sectors of the economy fueled by both the ongoing reforms and increased government investment in infrastructure –roads, airports, water, energy –and other sectors of the economy, including in education, tourism and agriculture.

"These (reforms and increased government investment) factors are set to increase the economy's efficiency and productivity thereby, backed by the devolved system of government under the New Constitution, unlocking huge investment opportunities to investors," says Prof. Tabitha W. Kiriti-Nganga, head of economic theory, School of Economics, University of Nairobi.

She singles out opportunities in the property and agriculture sectors, noting that the infrastructure development and the devolution would attract investors increasing the value of land/property while improving access to markets for agricultural produce across various counties.



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

www.abccapital.co.ke



DISCOUNTS ON YOUR FLIGHT BACK HOME

ABC Bank has entered into a partnership with a select group of air travel companies, allowing the Bank's Diaspora customers to benefit from competitive air fare rates when coming back home.

The agreement is part of the Bank's continuous quest to facilitate its Diaspora customers through services, including negotiated rates of products and services, offers etc, on top of its world class financial products and services.

“We are working round the clock to come up with value added services to make our innovative products and services even better,” said Amanda Corline, Head of Retail Banking, ABC Bank. For customers to benefit from the discounted air fares, they are required to furnish the Bank with their dates of travel through the email addresses:

- diaspora@abcthebank.com
- talk2us@abcthebank.com

2012:

Kenya Shilling's performance

By ABC Bank Treasury

Shilling's performance for the period up to July 20, 2012

The Kenyan shilling (Kes) has traded within a narrow range –Sh83.50 to Sh85 to the US dollar (USD)-in the month of July 2012.

The shilling also held its ground despite the Central Bank of Kenya (CBK) lowering the Central Bank Rate (CBR) by 150 basis points to 16.5 per cent from 18 per cent amid analysts' expectation that it (shilling) will weaken because of increased supply (of Kes) in the market.

The CBR is a rate at which the CBK lends money to commercial banks as lender of last resort and is the basis upon which banks price consumer loans after factoring in their operational costs and profit margin.

Some of the factors that have led to the shilling's stable state are:

- CBK continued presence in the money market, characterised by its mopping up excess liquidity (a lot of Kes in circulation) via repos and the introduction of longer-term repos of 14, 21 and 28 days, which have become popular in the market. A repo is where CBK borrows funds from the money market for a period of time (days) by offering a security and returning the same funds later by repurchasing its security. This is aimed at reducing or increasing the amount of Kes circulating in the market.
- Despite reduction in the CBR rate, the market seemed to have aligned itself for any fall in the shilling hence there was no significant weakening of the shilling after the CBK reduced its benchmark rate.
- Inflows (foreign currency) from the tourism and agricultural sector have been sufficient to meet the (US\$) demand from (importers in) energy and oil sectors.

Highlights up to July 20 2012 (Kes to US\$)

Opening Rate: 84.10

High for the Period: 85.00

Low for the Period: 83.50

Closing Rate: 83.95

Range for the Period: 83.95 – 85.00

Projections on the shilling's performance for the month of August and September

In the coming days, we expect the shilling to continue trading within a tight range of between Sh84.00 and Sh84.50 to the dollar. The shilling is likely to be supported by the following arguments:

1. ABC Capital analysts expect CBK to continue mopping up excess liquidity (Kes) in the market hence discouraging banks from holding long dollar positions (keeping dollars for long).

2. Performance of major currencies – they expect traders to continue ignoring short-term intraday (daily) performance of the Euro/USD and Sterling Pound/USD, reducing the risk of speculative fluctuations.
3. They expect the Monetary Policy Committee –CBK's top decision-making organ- to either maintain the CBR Rate at 16.5 per cent or cut it by a small margin, which is already factored in the market.
4. Dollar demand seems to have reduced significantly to a point that the little demand coming in is well matched-off by inflows from agriculture and tourism.



**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 for more information.



Dear Rosemary,
Kindly assist regarding instant cash transactions of ICTC numbers xxxxxxxx and xxxxxxxx supposed to be paid to M.K and I.S. The recipients were told the personal identification numbers (PIN) given were invalid but they are the correct pin numbers for the said transactions. Thanks,
D. K

Dear D.K,
Thank you for writing to us. We are sincerely very sorry for all inconveniences caused to your beneficiaries. However, the transactions had not been verified from your side hence the PIN failure. Please request your beneficiaries to visit the branch and collect the money. Should you feel that you require further advise please do not hesitate to contact us. Thank you so much for banking with us. Have a nice day.
Rosemary Kiboro, Officer Quality Service

The money has been received.
Thanks. Regards,
D.K.

You are most welcome D.K.
Rosemary Kiboro, Officer Quality Service



Good Morning. I hereby permit ABC Bank to transfer on my authority the fund transfer forms that are attached herein and advise when the transaction has been cleared. If there is correction or clarification that would result to a delay or cancellation of this transaction, then I would like to be notified so through my email address ASAP.
J.K.

Dear J.K.
Thank you for writing to us. We are in receipt of your money transfer request and we will act on it as soon as possible. Kindly let me know if you have ever applied for online banking. This service allows you to view and monitor your account anytime. In a case like this we would not have to notify you once a transfer has been done. Looking forward to hearing from you. Thank you so much for banking with us. Have a nice day. Kind regards,
Rosemary Kiboro, Officer Quality Service

Dear Rosemary,
Thank you for addressing my transaction. I have online banking. Last year, I had bad experiences on my transactions. It is worthwhile to mention that I am getting a better service now. Thank you.
J.K.

Dear J.K. Hope this email finds you well this morning. I write to inform you that your transfer was effected this morning. Please confirm with the attached screen shot of your account. We want your banking experience with us to be the best going forward. Thank you so much for banking with us. Have a nice day. Kind regards,
Rosemary Kiboro, Officer Quality Service



Good evening,
I could like to know if the dollar account has any maintenance charges. Every month I send money to my wife who has a dollar account with you. But this month she went to withdraw as usual but she found she has been deducted \$6. Please clarify.
Regards.
F. K.

Dear F.K,
Please be advised that the deductions are counter withdrawal charges. I would, therefore, suggest that your wife applies for a cheque book to avoid being charged every time she withdraws from the counter. This will cost her an equivalent of Kes 750 for a 50 leaves cheque book which is a one off until the cheque book has been fully utilized and I believe this is cheaper. As my colleague explained to you, the dollar account has no charges. Thank you so much for banking with us. Have a nice day.
Kind regards,
Rosemary Kiboro, Officer Quality Service

Thank you very much for the clarification.
Regards,
F.K



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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Facebook  www.facebook.com/abcthebank

Chat  www.abcthebank.com

Phone  [+254 \(20\) 4263000](tel:+254204263000)