



THE ABC VISION

Diaspora Edition, September 2012, Issue No. 8



Diaspora Kenyans: Overcoming challenges to invest at home

neurs involved have to set up their businesses in their home country while either residing in another country or immediately upon returning home. Such ventures fail due to a combination of factors, including wrong business ideas, changing market dynamics, competition and weak management. This is one of the risks non-resident Kenyans have to grapple with whenever they try to invest at home. "It is difficult to execute even a simple project like identifying an ideal property, validating its ownership and negotiating for a good price," says Mr Joseph Kariuki who is working in the Diaspora. They are forced to rely on relatives and friends.

"A lot of money has been lost in such ventures either through misuse or poor business decisions," he says. Such risks would be reduced if the government and the private sector facilitate non-resident Kenyans to invest at home. "For instance, the government should

The survival rate of new businesses is very low the world over with studies showing that up to a third of new enterprises rarely live to celebrate their third anniversary. The failure rate grows if the entrepreneurs

come up with a training programme on entrepreneurship for Kenyans to save them from losing money," he says. Mr Kariuki, who is currently working in his second foreign country after leaving South Sudan two years ago, has learnt the hard way.

"It was tough setting up a business while in South Sudan. I had to wait until I returned home to invest," says

Mr Kariuki. With the help of ABC Bank, he has invested in Kenya in the dairy sector and set up a business partnership aimed at supplying building materials. "ABC Bank has made great strides in providing us with a better banking experience through superior products and customer service. Our transactions are processed on time and we have better communication with the Bank," says Mr Kariuki. This, he says, is revolutionary for he had to physically visit his former bankers in South Sudan for him to send money home. But, he says, ABC Bank could do more to assist its customers invest, especially in the property sector. Ms. Amanda Corline, Head of Retail Banking at ABC Bank, says the Bank and its real estate partners, Developing Afrika Limited (formerly Social Capital Group Limited), are already assisting the customers. "We are providing our customers with a wide range of investment options, including in the property sector, through our e-guide to investment opportunities available in Kenya, ABC Connections," says Ms. Corline.



Mr Joseph Kariuki (R), an ABC Bank Diaspora customer, with a colleague and friend, Mr. Silvester Onyango

"ABC Bank has made great strides in providing us with a better banking experience

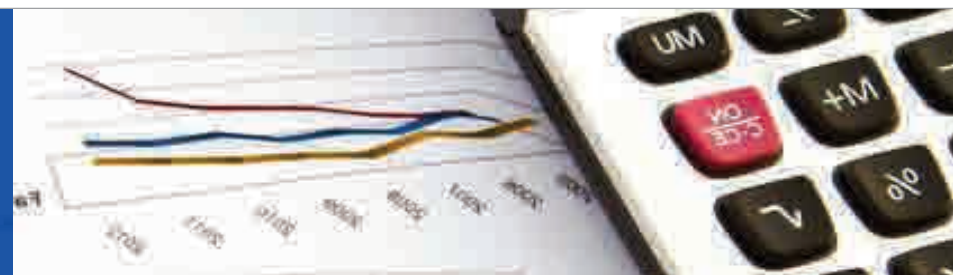
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I wish to start by expressing my sincere gratitude to you for your overwhelming response to our e-investment guide -ABC Connections, whose first edition we sent to you in July 2012. In response to your feedback, we have decided to merge our two platforms, the investment guide, ABC Connections, and the customer newsletter, ABC Vision

Diaspora edition. This means, from now henceforth, the monthly newsletter will provide you with information on ABC Bank Group's news and investment opportunities available in Kenya. This is aimed at reducing the number of communications we send without affecting the quality of information we provide you to enable you to make sound financial and investment decisions. We have also incorporated your various proposals in this issue of the newsletter. For instance, in line with your request, we have expanded our range of the investment options we are highlighting by, among others, including properties with a price range of Sh1 million. We hope to hear from you on how we can improve this newsletter. Contact us via talk2us@abcthebank.com to let us know!

Happy reading.

Group Managing Director

ABC Bank absorbs US\$10 charge on behalf of its Diaspora customers

ABC Bank has entered into an agreement with its correspondent bank for the US dollar, ensuring that its Diaspora customers will not be charged any levy when sending money back home. The agreement follows numerous enquiries regarding a US\$10 charge levied on the Bank's Diaspora customers whenever they transfer money to Kenya.

"Following negotiations with our correspondent bank for the US dollar, we have reached an agreement where remittances to our Diaspora customers will no longer incur charges," said Ms. Amanda Corline, ABC Bank Head of Retail Banking. Instead, ABC Bank will absorb the charge on the customer's behalf, a move aimed at reaffirming the Bank's commitment to facilitating its customers to meet their financial and investment needs. To take advantage of this rebate, the customers must ensure to include the Reference Number ABC/DIASP in all their future SWIFT instructions given to remit money to ABC Bank. "Please note that this information should be captured on the sender to receiver field 72 on the remittance (SWIFT) message," said Ms. Corline. For salary payments, the Bank has informed employers. "We are requesting our customers' support in sharing this information with their employers," she said of an arrangement that took effect on August 15, 2012. For further details, contact the Bank via talk2us@abcthebank.com.



Send your love back home quickly and safely.



ABC Bank joins efforts to assist people with spinal cord injuries

(paraplegics) through various activities. The Bank would be donating all its old newspapers quarterly to the Foundation, which recycles them to produce eco-pencils.

The pencils are then sold to the public and corporates to raise money, which



Ms. Amanda Corline (L), ABC Bank Head of Retail Banking, tries out one of the pencils The Cluster Foundation makes by recycling old newspapers. This is after she handed over bundles of newspapers to the Foundation's trustees led by Mr. Nick Nguyo (R).

ABC Bank has joined forces with The Cluster Foundation (TCF), a non-governmental organisation supporting people with spinal cord injuries

is spent on supporting a programme assisting people with paralysis through various activities.

“Some people detest old newspaper because they consume space while others treat them as waste. What they don't know is that the same old newspapers would bring a smile to someone's sad face,” said Mrs. Njoki A. Mwangi, a

trustee of the organisation. She was speaking after the Bank donated the first batch of the old newspapers to the Foundation on June 13, 2012.

“We will be making the next donations on September 13, 2012 and December 13, 2012. We are appealing to individuals and corporates to join us in supporting this worthy cause,” said Ms. Amanda Corline, Head of Retail Banking at ABC Bank. The Foundation, under its Empowering Paraplegics programme, organises excursions, home visits, entertainment and sports activities for them to reduce the effects of their handicap, especially loss of self-esteem.

Once they have gained some confidence, the Foundation, in conjunction with other partners, exposes them to various skills before connecting them to various job opportunities.



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ABC Bank: We are facilitating our Diaspora clients to invest in the property sector

Q & A with Mr Deviinder Gupta, ABC Group CEO



Mr. Deviinder Gupta (L), ABC Bank Group CEO, receives the trophy for the Best Bank among banks with total assets greater than Sh.10 billion but less than Sh. 40 billion award from Nairobi Stock Exchange CEO, Mr Peter Mwangi

Q: As ABC Bank Group, do you finance investment in the property sector?

A: Yes, we do. We assist our customers to acquire land through our Land Purchase-Diaspora product. We also have a mortgage facility. This is a long-term loan (5 to 10 years) that helps a customer to purchase an already completed/finished house, whether for residential or commercial purposes. We expect the client to contribute at least 30 per cent of the purchase price of the land or house and cater for legal fees, stamp duty and title transfer costs. In order to enable our customers to identify good properties to acquire, we have partnered with reputable agents to provide a list of such properties to our customers elsewhere in this newsletter.

Q: Does one need to be a customer of ABC Bank for him/her to benefit from the product?

A: Not necessarily. At the point of application, we can do the credit appraisal using six months statements from the applicant's current bankers. Upon approval of the facility, we require the applicant to open an account with us to service the loan repayments.

Q: Does it apply to property in any part of the country?

A: We finance properties that have title deeds for residential and commercial purposes in municipalities and county councils across the country. We give special focus to areas where we have branches, i.e. Nairobi and its outskirts, Mombasa, Meru, Kisumu, Eldoret and Nakuru. The outskirts of Nairobi include Thika, Juja, Ruiru, Githunguri, Limuru, Kiambu, Ruaka, Banana, Kasarani, Mwiki, Ruai, Kamulu, Syokimau, Mlolongo, Athi River, Kitengela, Kisaju, Isinya, Konza, Malili, Kiserian, Ngong, Ongata Rongai and Machakos.

Q: Are there other requirements for one to be eligible?

A: The most important eligibility criterion is the applicant's ability to service the monthly loan repayments. We normally look at the source of income, whether from salaries or business cash-flows. In project finance, we look at how much rental income is expected from the property once completed and if it will be able to service the loan and cater for the client's other domestic expenses. Other requirements are documents such as title deed; land rents/rates receipts, pay slips, financial statements, PIN certificates and ID.

Q: Would you assist a customer who may need help to develop his/her land after acquiring it?

A: Yes, we have business loans, personal loans, project finance and construction loans that a client can access subject to his/her ability to pay and security he/she can offer.



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Kenya shilling's performance

By ABC Bank Treasury CEO

The Kenyan shilling has continued to trade within a narrow range of between KShs.83.90 and KShs. 84.30 to the US dollar for the period up to August 17, 2012.

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

- There have been inflows (of US dollars into Kenya) from the agricultural sector with (exports of) tea and coffee auctions supplying dollars to the market and hence supporting the shilling.
- Inflows from development agencies investing in infrastructure and other projects in the country also supported the shilling.
- The Central Bank of Kenya (CBK) has also been continuously in the market to mop up excess liquidity (a lot of Kenya shillings circulating in the economy) and support the local unit.
- Typical end and mid month demand from the corporate sector has been witnessed pushing the shilling above the KShs.84.10 to the US \$ levels.

Highlights

Opening rate: 84.25

High for the period: 84.30

Low for the period: 83.65

Closing rate: 83.90

Range for the period: 83.90 – 84.30

Outlook on the shilling's performance going forward

“We expect the shilling to trade in the KShs. 83.50 to KShs. 84.50 to the US \$ range in the coming days,” says ABC Bank Treasury.

There is also a CBK rate setting meeting by the Monetary Policy Committee scheduled for early this month (September 2012). This is expected to have a significant effect on the local unit as market awaits the outcome especially after the inflation rate dropped to 7.74 per cent in July 2012.



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INVESTMENT OPPORTUNITIES



Juja South Estate Apartment
2 bdr - Kshs. 4.5 M



Juja South Estate Townhouse
3 bdr - Kshs. 8.9 M | 4 bdr - Kshs. 9.9 M

Juja South is a beautifully designed gated community, situated only 2km away from the newly developed Thika Super Highway, far from the hustle and bustle of the city. The development consists 81 three and four bedroom town houses, and 272 two and three bedroom apartments and penthouses.

Extra Features:-

- Swimming pool and club house
- Landscaped gardens
- Cabro paved driveways
- Boundary wall
- Shopping complex
- Provision of a school
- Close proximity to police station

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Juja farm plots in the Juja Farm area in Thika District
Number of plots -35 Size -1/8 acre Price -Starting at Kshs. 400,000



Plots for sale in Kitengela

The plots are approximately 12 Km from Thika Super Highway next to a small town known as Juja Farm. The town has all basic facilities including a shopping area, schools and basic amenities like electricity. The plots are located next to the main road, which is slated for development into an all-weather tarmac road in the near future. There are many developments on this road including schools and the upcoming Juja South Estate, which consists of 81 townhouses and 272 apartments. The plots are commercial plots with title deeds and are a good investment for developers

Plot size	No.	Landmark feature	Location	Price (Kshs)
1/8 Acre	50	Near Konza ICT City	Nbi-Msa Railway line	200,000
1/8 Acre	54	Near ILUniversity	on Kite-Rongai Bypass	250,000
1/4Acre	45	Near Acacia School	Kite-NamangaH/way	850,000
1/4acre	8	Near Acacia School	Kite-NamangaH/way	850,000
1/4 Acre	2	Near E.A. University	Kite-Namanga H/way	800,000
1/4 Acre	2	Near Thorn Groove Sch.	Kite-NamangaH/Way	1,100,000
1/8Acre	2	Near E.A. University	Kite-Namanga H/way	1,100,000



This is one of the most prime areas in Kisanju, Kitengela. It is next to new Catholic University which is an upcoming university. Development on the university has already began and a fence has been put up



The area is only a kms from the main road. We are offering the plots (1/8 acre, 50* 100 feet in size).

Size: 50 X 100 (1/8 Acre) Price: 450, 000

Titles in Progress



Syokimau Plots

Size: 50 ft by 100 ft (a 1/8 acre) - Price: Kshs 2.2 M



Plots

Size: 50 ft by 100 ft (a 1/8 acre) - Price: Kshs 2.2 M

We have plots for sale in prime areas in Syokimau. Just 1.6Km from Mombasa road behind Kangarooz Restaurant. Our prices are reasonable to ensure affordability to all and the areas are well serviced with good access roads, water and electricity at site.

Call or Visit our offices for viewing arrangements.

PRICING:

Size: 50 ft by 100 ft (a 1/8 acre) - Price: Kshs 2.2 M

Size: 100 ft by 100 ft (a 1/4 acre) Price: Kshs 4.5 M

Title Deeds Ready.



Plots for sale off Kitengela-Namanga H/way

Plot size	No. available	Landmark feature	Location	Price (Kshs)
1/4Acre	45	Near Acacia School	4km off Kite-NamangaH/way	850,000
1/4acre	8	Near Acacia School	4km off Kite-NamangaH/way	850,000
1/4 Acre	2	Near E.A. University	1km off Kite-Namanga H/way	800,000
1/4 Acre	2	Near Thorn Groove Sch.	2Km off Kite-NamangaH/Way	1,100,000
1/8Acre	2	Near E.A. University	900m off Kite-Namanga H/way	1,100,000
		Near Kitengela	800moff Kite-Namanga H/Way	1,250,000
		Near Kitengela	1.5km Kite-Namanga H/Way	1,300,000

INVESTMENTS OPPORTUNITIES



NSE INVESTMENTS



ABC Bank: You will grow your wealth in the NSE by working with our qualified and experienced investment team

We are also giving you the chance to invest in the Nairobi Stock Exchange (NSE) as part of our objective of enabling you to diversify your investment portfolio. Through ABC Bank Custodial and Financial Services and ABC Capital, which is a member of the NSE, we would partner with you to grow your investments at the stock market. Talk to us for:-

(1) Initial public offerings (IPOs)

This is when a company sells shares to the public the first time by listing at the NSE. Several companies are planning to list at the NSE. They include UAP Group, Family Bank as well as clothing and household goods retailer, Deacons Kenya Limited, which plans to list after finishing negotiations over a joint venture with its South Africa partner Woolworths. We will keep you updated on these and other upcoming IPOs.

(2) Rights issues

This is where shareholders of a company raise funds by selling its shares to shareholders at a discounted price. For instance: -

Standard Chartered Bank Rights Issue You can plan to invest in the proposed Standard Chartered Bank Rights Issue, which is pending approval. The Bank has appointed the transaction advisors to guide through the process of seeking regulatory approval for its rights issue. The bank's shareholders approved the issue in May this year, which is aimed at raising KShs3.2 billion. Once approved by the market regulators, including the Capital Markets Authority and NSE, StanChart plans to offer 37 million ordinary shares of KShs.5 each, thereby increasing the authorised share capital of Standard Chartered Bank Kenya Limited from KShs. 1,780 million to KShs.1,905 million.

Other rights issues

You can still invest in the NIC Bank and CfC Stanbic Holdings - whose rights issues have closed - by buying the renounced shares in the secondary market.

Express Kenya

Logistics company, Express Kenya, plans to raise Sh1.1 billion additional capital through a rights issue to boost its balance sheet. The issue, which is still subject to the shareholders and regulatory approvals, will increase the company's paid up capital from Sh177 million to Sh1.2 billion. The company says the additional shares would be offered at a nominal value of Sh5 each.

(3) Bonuses

This is where shareholders of a company are issued shares for free at a certain ratio of the shares they hold. For instance: -

NIC Bank Rights Issue

Subject to the market regulators' approval, NIC Bank is offering one bonus (free) share to every 10 new shares after the rights issue.

This means that for every 10 new shares you apply for and allotted, you will be entitled to receive one additional bonus share subject to the Capital Markets Authority (CMA) approval of the proposed bonus issue.

NIC Bank issued 98,724,391 rights to purchase new ordinary shares at an offer (discounted) price of Sh21 per share.

Standard Group Ltd

The media house, which owns KTN, the *Standard* newspapers, Radio Maisha and the *County Weekly*, among others, is proposing to issue a share bonus at the ratio of one into 10 held subject to regulatory approval

Eaagads Ltd

Agricultural firm, Eaagads Ltd, is also planning to issue a share bonus in the ratio of one into one, which is awaiting regulatory approval.

AccessKenya

The information technology (IT) firm is also planning to issue a share bonus at the ratio of one into 20 once it gets regulatory approval.

(4) Share split

This is when shareholders of a company have the shares they hold split into many shares to, among others, make them affordable to many investors in the market thereby increasing their demand. For instance: -

Athi River Mining

The cement manufacturer is proposing a share split into five for every one held subject to regulatory approval.



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Good evening sir/madam. Please advise me of what to do to convert my share certificates into the electronic format. I could like you to handle it for me since I am far away until December 2012 when I come back home. Thanks for the assistance. P. L.

Dear P.L, Thank you for writing to us. Ms. Purity Muriuki of ABC Bank Custodial Services will contact you shortly on the issue. Thank you so much for being our customer. Have a nice day. Kind regards. Rosemary Kiboro, Officer Quality Service

Dear Rosemary, Thank you for the quick and positive response. Purity has already assured me that my shares are already in electronic form. So I don't need to worry. I appreciate your service. You're the best! Thank you. P. L.

You are most welcome P.L. I am humbled by your kind words and always it is my duty to serve you. Rosemary Kiboro, Officer Quality Service.



Dear Madam. Thank you for the information (on share certificate immobilisation) you sent to us. What are your charges for immobilising share certificates to CDS format? Regards. M. K.

Dear M.K. Thank you for writing to us. There are no charges to immobilise your share certificates. Please feel free to contact us for any further enquiries you may have regarding the above exercise. We hope to hear from you soon. Regards. Anthony M Kariuki, Custodial and Financial Services



Dear Sir/Madam, I am a customer of ABC Bank residing in Baghdad Iraq. Having gone through several of your newsletters, I would like to know how the Bank can assist me to achieve my investment goals. I intend to invest in real estate having acquired three plots in Kitengela area of Kajiado District. My plan is to start the construction of a residential house in January 2013 having acquired the relevant documents required for the commencement of such a project. T.O

Dear T.O. I hope this email finds you well. As a Bank, we are always available to discuss with our customers on all financial matters. I would suggest you give us your telephone numbers so that we can call you and discuss your investment project and answer all your questions. Alternatively, you can also call us on +2540203592747. Thank you and kind regards. Humphrey Ngotho, Credit Risk Analyst-Retail Banking.



Dear Sir/Madam. I don't know your swift code and I would like to fill it somewhere. Also, I would like to know, is the name of the Bank just the initials ABC or African Banking Cooperation Limited? Please assist. Regards. T. M.

Dear T.M. Thank you for writing to us. The swift code is ABCLKENA and the initials ABC stand for African Banking Corporation. Should you feel that you require further assistance please do not hesitate to contact us. Thanks again and have a nice day. Kind regards. Rosemary Kiboro, Officer Quality Service



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