

THE ABC VISION

Diaspora Edition, Jan - Mar 2012, Issue No. 1



CUSTOMER FOCUS:

I was excited when I got a job in Afghanistan, says Mr. Ngure

Afghanistan, to a majority of people, is a war zone where anything goes: a country without security and proper governance and life for residents and citizens is very hard. It is a perception Mr Charles Ngure, a Kenyan who has now lived and worked in the country for two years, held before he flew out of Nairobi. He was, however, not scared when he got the job offer after applying through a Nairobi-based firm. “Honestly I was

excited, (I had) a feeling of adventure,” he told the ABC Vision in an email interview, though he is quick to add that the country is making progress despite the ongoing fighting.

Surprised by his move, his family did not believe he would go through with it. They were, however, supportive when they realized he was determined to follow through his dream. “A man’s got to do what a man’s got to do,” explains Mr Ngure who works in the finance department of a US-based company operating in Afghanistan.

Apart from the security issues, anyone relocating into the country has to observe and respect the culture of the people and laws of the land. “For example, Afghanistan is a predominantly Muslim country that forbids intake of alcohol. So why drink or even attempt to bring it in when you know it is a banned product?” says the financial specialist. This also means following laid down procedures such as running into a bunker in case of an attack, putting on your personal protective gear, going to work at the stipulated time and adhering to company rules. East or West home is best.

Mr Ngure has made efforts to invest his earnings in Kenya with the help of ABC Bank. “My relationship with ABC Bank has been very good. Most of the employees I deal with are courteous, they have fulfilled my banking needs enabling me to succeed in most of my projects,” he says. He says the Bank’s financial advisors guide him based on a holistic view of his financial situation. “I receive investment recommendations suitable to my needs. I have access to advice and guidance from the bank when I need it and much more to say the least,” Mr Ngure explains.



Mr. Charles Ngure, an ABC Bank Diaspora customer relaxing at his work station in Afghanistan



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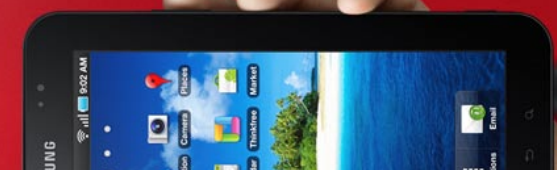
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*Terms and conditions apply



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Welcome to 2012!

We, as an institution, aspire to serve you even better this year by building on the gains we made last year.

This newsletter aims at keeping you up to date on the goings on within the Bank – news, developments, products and services, as well as investment advice on the Kenyan Financial sector. The Diaspora market constitutes a critical segment for ABC Bank, and we are greatly indebted to you for choosing to bank with us and thereby playing a

great role in our continued improved performance and growth.

We recognise that we have not always gotten our services right, but we are making every efforts to exceed your expectations.

As ABC Group, we also acknowledge your contribution to this country, both as the country's goodwill ambassadors and as key players in economic development. Statistics underline the critical role you are playing. For instance, according to the Central Bank of Kenya (CBK), average remittances inflow to Kenya in the year to November 2011 amounted to US\$ 72.6 million (Kshs. 6.5 billion) up from US\$ 52.7 million (Kshs. 4 billion) recorded in the year to November 2010.

We at ABC Bank are proud to be your partners in this endeavour. We have new products such as Land Purchase and Mortgage solutions to facilitate your efforts to invest in our beloved country.

We have also rolled out our same day salary credit to accounts service. We are also in various stages of rolling out new money transfer services and we will be letting you know more about these in future editions.

All our efforts aim at being the preferred banker for Kenyans living outside the country, by offering superior services and providing a channel for you to realize your dreams, whatever they may be.

We are now on Facebook and we will be using our Facebook page to keep you updated on our products, services and many exciting giveaways we have planned for you this year.

Write to us at talk2us@abcthebank.com and let us know what you think of our newsletter and what you'd like to see in future!

We wish you a fruitful Year 2012!

Group Managing Director

ABC Bank fosters interaction with Diaspora clients

ABC Bank is constantly coming up with initiatives aimed at fostering the already close working relationship it enjoys with its Diaspora clients. The latest initiative is partnering with the Kenya Association of Private Employment Agencies (KAPEA), an umbrella organisation for agents who assist Kenyans to secure jobs abroad. "The partnership will enable us facilitate Kenyans in the Diaspora through our financial and investment products and services such as Land Purchase and Mortgage Diaspora as well as new mobile money transfer services," Deviinder Gupta, ABC Group CEO, said at a dinner the Bank hosted for KAPEA members and Government officials on December 7, 2011 at a Nairobi hotel. "Kenyans living and working abroad face many challenges in executing their financial and investment transactions back home. We are happy we are now working with ABC Bank to address these challenges," said Esther Kamau, KAPEA secretary.



Ms Maurine Akinyi, ABC Bank customer service associate – Diaspora, presents a voucher to Mr Stephen Githinji Mathenge, which he won at a draw for Diaspora customers.

For more information email us on talk2us@abcthebank.com.

Nurturing talent: ABC Bank seeks to promote sports in the grassroots

ABC Bank partly sponsored the annual Baringo Half Marathon held on November 6, 2011. The Bank sponsored the event, which is held in Kabarnet town in Baringo County, to the tune of Kshs. 500,000. "We, as a Bank, are promoting athletics and sports in general because we believe it is a lucrative and promising career like any other for our youth. It also brings international glory and acclaim to the country," said Corline Amanda, ABC Bank Head of Retail Banking, during the prize giving ceremony.

Joyce Jekpurui won the women's race and Solomon Kiptoo the men's title during the 7th edition of annual event which was established to unearth and nurture runners in the area. "We are grateful to ABC Bank for partnering with us in our quest to identify and nurture talent at the grassroots level," said Paul Tergat, the Safaricom Baringo Half Marathon patron and former world marathon record holder.

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Deviinder Gupta, ABC Group CEO addresses KAPEA members at a Nairobi hotel.

Diaspora Land Purchase Financing

ABC Bank is continuously seeking ways of meeting the needs of the Diaspora market through research, design and roll-out of tailor-made products for the fast-changing market.

In an effort to facilitate its Diaspora customers to invest in Kenya, the Bank has come up with two products - the Land Purchase and Mortgage Diaspora.

Through the products, clients can now invest in the property market in Nairobi, Mombasa and their suburbs in a secure, fast and efficient way. The products come with a whole range of favourable features such as providing up to 70 per cent financing, equal monthly installments, friendly interest rates on reducing balance and between Kshs. 2.5 million to Kshs. 20 million for mortgage.



Kipkosgei Rogony (R), ABC Bank Eldoret Branch Manager, presents a cash prize to Pamela Lisoreng (L) who was second in the women's race

Kenya: 2012 Economic environment and outlook

By ABC Capital Limited

This year, 2012, poses political and economic challenges to investors since Kenyans are proposed to hold the first General Election under their new Constitution. Nevertheless, every dark cloud has a silver lining. Amidst the challenges, 2012 presents lucrative investment opportunities for the savvy investors especially in the money and capital markets.

Huge discounts

The share prices of most of the listed companies at the Nairobi Securities Exchange (NSE) do not currently reflect their true value after the total value of the market as measured by the NSE 20-Share Index fell by 28 per cent in 2011.

Most shares, therefore, are selling at much discounted prices in the market, providing an ideal opportunity for investors who would like to invest in the long-term for, once the prices appreciate, they are likely to earn huge returns. "This is subject to a smooth electoral process and the global economic stability, especially in Europe," said ABC Capital analysts. Shares in the energy, commercial and financial market segments of the NSE as well as those of other major listed companies offer attractive investment opportunities. "On a purely technical aspect, the loss of value being experienced by the market creates opportunities to lock in gains for an investor with an appetite for risk in the short-term," said the analysts.

Money market

This year might see investors focusing more on government papers (Treasury Bills and Bonds) and fixed deposits; especially those with short tenors, as most investors will seek to avoid taking risks. This is because of the risks associated with the country's forth-coming General election, high inflation, a volatile exchange rate and rising interest rate.

There is, however, a renewed confidence in the economy after the cost of living as measured by the inflation rate started showing signs of stabilising. This is after the inflation rate fell to 18.93 per cent in December 2011 from 19.72 per cent in November 2011. This is the first time it fell in 12 months having risen from a low of 5.42 per cent in January 2011. The Kenya shilling is also stabilising against the world major currencies to trade at around Kshs. 90 to one US Dollar compared to its lowest level of Kshs. 105.96 to the US Dollar it recorded in October 2011.

The cost of borrowing - interest rates - too is stabilising completing the three macro-economic pressures that would herald a good year for investors. Depending on how the Euro-crisis progress, the safest bet for investor with a preference for liquidity would be in risk-free government securities. The 91- Day, 182- Day, 364-Day Treasury Bills and the 2-Year Bond issues will be of particular focus. "It is advisable for investors to diversify their investments and reduce their risk profile while maximizing on their returns," said ABC Capital.

Key investment opportunity areas to look out for: -

Stock Market Most shares are trading at prices lower than their true value presenting a good entry point for long-term investors. This is particularly so in shares in the energy, commercial and financial market segments of the NSE. Investors who invest in such shares now are likely to earn big returns when the share prices appreciate.

Money Market The government is likely to borrow heavily from the domestic market to finance its programmes, especially infrastructure projects. This is likely to increase the interest rate at which the state will be borrowing from the market. Hence, any investment in Treasury Bills and Bonds would fetch good returns for the investor.

Property Market The property market in the country's major towns – Nairobi and its environs, Mombasa, Kisumu, Nakuru, Eldoret – remains a good investment. The value of properties in these towns and other urban areas in the country is likely to appreciate further from this year. This is because of the ongoing government investment in infrastructure -roads, railways, airports, energy etc- and the New Constitution's devolved system of government. This will open up many parts of the country driving up property demand from potential investors.

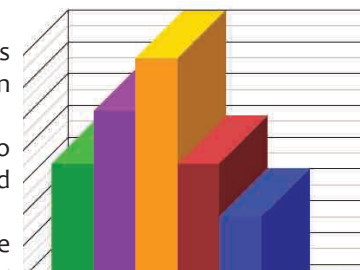
Note:

ABC Bank through its affiliate companies - ABC Capital and ABC Insurance Brokers- and real estates development partners, Social Capital Group (SCG), will guide you in case you want to invest. For further information write to us through talktous@abcthebank.com.

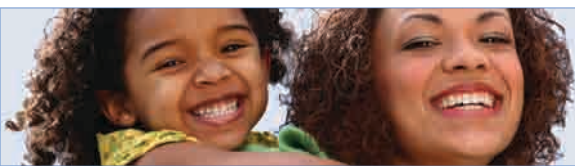
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The aim of this article is to provide general information about investment opportunities in Kenya and ABC Capital Limited has made every effort to ensure the contents are accurate and current. Information in this article is in no way intended to replace or supersede independent or other professional advice. For further advice, please contact ABC Capital Limited on +254 20 2242534/5, 316143 or research@abccapital.co.ke.



Send your love back home quickly and safely through:



Upping the game!

ABC Vision's Q & A with Ann Wanja, Manager, Diaspora Banking
Q: How would you describe your experience interacting with ABC Bank's Diaspora clients?

A: It has been an exciting experience, an adventure where every day is a learning process for the three years I have been serving them now. Our Diaspora clients have been very good and kind to my team and me, supporting us in all the projects we have initiated in their desire to see ABC Bank excelling. They have been more than willing to share with us their experiences with the financial markets of the countries they live in.

Q: What are some of the challenges you have encountered during the period?

A: Sometimes we have not lived up to the expectations of our customers in the course of serving them. We are, however, making efforts to ensure that our services meet and even exceed their expectations. As I said before, ours is a daily learning experience and, therefore, we are continuously improving our systems and processes, and our efforts are starting to bear fruits. We are grateful to our Diaspora customers for bearing with us, and we promise that in 2012 they will be much happier with us.

Q: What drives you and your team in facilitating the Diaspora clients?

A: There have been many stories in the media about Kenyans in the Diaspora who have lost their money by trying to invest back home by sending money to their relatives and friends or even unregulated brokers. We, as ABC Bank, are trying to prevent such losses by providing them a platform through which they can invest their earnings in an efficient and safe manner.

Q: Any particular examples?

A: Most Kenyans in the Diaspora have shown a great desire to invest in the property market. Instead of sending money to a relative or a broker to invest on their behalf, they can do it themselves through our Land Purchase and Mortgage Diaspora products. We are currently working to identify approved land and property schemes and will be circulating these to our customers in the next few months. Our real estates development partners, Social Capital Group (SCG), will assist them to invest in the property market - identifying suitable land and/or property and getting requisite documentation and legal advice. With the support of our affiliate companies such as ABC Capital Limited they have an even wider choice of investment opportunities in the stock and bond markets.

Q: What is in store for them in 2012?

A: We have lined up a number of key projects for our Diaspora customers. Our email alert system, which we will roll out in the next few months, will enable them receive email alerts whenever any transaction is done on a customer account. This will relieve them the burden of constantly contacting us to enquire whenever transactions they are not sure about take place. We are also at the advanced stages of rolling out our MasterCard debit card in the first quarter of 2012. Many more projects are in the pipeline with the sole objective of improving the overall customer experience so as to build a meaningful, long term relationship with them.



We are playing to the beat of East Africa
 with a regional presence in
 Kenya and Uganda.

ABC Group is your one stop financial shop offering innovative financial solutions across Kenya and Uganda. We have partnered with RSM Ashavir to bring you this informative booklet on doing business in Kenya.

To access it, visit the downloads section of our website:

www.abcthebank.com

To reach the Diaspora Team kindly:-
 Send an email to diaspora@abcthebank.com
 Or call +254 729 518810

Hi,
I am congratulating you for the splendid job you are doing. It was taking me between four and five days to transfer money but I have just done it in a day. I am glad to do business with ABC Bank with such kind of efficiency. I am impressed with your work and I foresee only a brighter future for ABC Bank. Keep up the good work. Happy New Year!
Satisfied Customer,
D. M. K.

Thanks D. M. K.,
We appreciate your good feedback.
Happy New Year too!
Grace Gachie,
Assistant Manager, Diaspora Business

I would like to know if you charge for deposits. This is because US\$ 288 was deposited into my account but what was reflected was US\$ 278. Do you also charge me even if the standing order is not honoured? I can see US\$ 11.43 was debited.
Kind regards,
J. N.

Dear J. N.,
Thank you for writing to us. I wish to confirm that ABC Bank does not charge for remitting your salaries. Please note that if the charge is from ABC Bank it should reflect on your statement. I would suggest that you request your employer to confirm with the remitter bank about these charges. When a standing order fails, you are charged an equivalent of Ksh. 1,000 as a penalty of failure to honour the standing order. Hence the \$US11.43. Please do not hesitate to contact us for more information.
Rosemary Kiboro,
Officer Quality Service

Kindly, I would like to know if you are offering mobile phone money transfer services. I'm an account holder with ABC Bank Diaspora. Your assistance will be highly appreciated.
G. B. O.

Dear G. B. O.,
Thank you for writing to us. We are looking at other channels through which our customers can access our services e.g. intelligent ATMs, agency banking, mobile and internet banking for our retail customers which will be rolled out as the year advances. We will keep you and all our other customers informed once we roll out this service.
Regards,
Rosemary Kiboro,
Officer Quality Service

Happy New Year to you all. I would like to know if ABC Bank can assist its customer in acquiring property in Kenya and even construct for them. If I don't have land, can the Bank help me to identify, acquire and develop one like other banks do? What are the conditions?
Thanks in advance hoping for a positive response.
N. O

Dear N. O.,
Thank you for your interest in ABC Bank Loans.
We offer the following secured loans to our Diaspora clients:
1. Land Purchase Loans
2. Mortgages for purchase of completed houses

The process can be summarized as follows:
1. Identify the land or house you want to buy
2. Sign an agreement with the seller/vendor as you pay the 30% deposit
3. Apply to the Bank to finance up to 70% of the purchase price or valuation of the land/house
4. Once the application is approved, the Bank will request you to complete legal documentation and transfer of title before funds are released to the seller/vendor.
These loans are for 5 to 10 years and our current rates are 25% to 28% p.a on a reducing balance basis.

Qualification Criteria:

- Operated your account with us for at least 6 months {if not provide 6 months statements of your accounts in other banks}.
- Monthly repayment of the loan taken should not be more than 50% of your monthly income that passes through the bank account.
- Maximum loan amount should not be more than 70% of the purchase price of the land/property {i.e. own contribution is 30%}

We shall also link you to our real estates development partners, Social Capital Group (SCG), who will guide you with all the required documentation and legal advice.
SCG will also assist you in identifying suitable land and/or property amongst its numerous approved land purchase schemes and real estate developments in the country.

Kind regards,
Ann Wanja,
Manager, Diaspora Banking



Rosemary Kiboro,
Officer, Quality Service



Ann Wanja,
Manager, Diaspora Banking



Grace Gachie,
Assistant Manager, Diaspora Banking

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

For requests, complaints or compliments,
email us on ► talk2us@abcthebank.com