



ABIS LIMITED

Apposite Business & Investment Services

Seasons Greetings

Markets Newsletter November 2014

Nairobi Securities Exchange

ABIS Limited is an Agent of Sterling Capital Limited

Month's Biggest Price GAINS

Mumias 3rd Nov – Kshs.1.70
 Sugar 28th Nov –Kshs.2.00
+18%

Limuru Tea 3rd Nov – Kshs.1,020.00
 Ltd 28th Nov Kshs.1,185.00
+16%

Uchumi 3rd Nov – Kshs.8.00xd xr
 Supermarkets 28th Nov – Kshs.9.10xd
+14%

Safaricom Ltd 3rd Nov – Kshs.12.20xd
 28th Nov – Kshs.13.80xd
+13%

Eaagads Ltd 3rd Nov – Kshs.40.24
 28th Nov – Kshs.44.00
+9%

No. of Deals 42,139 ↓ 31%

Total share volumes (MN) 631 ↓ 6.5%

NSE INDEX



Month's Biggest Price DROPS

Kenya 3rd Nov – Kshs.175.00
 Orchards 28th Nov – Kshs.125.00
-29%

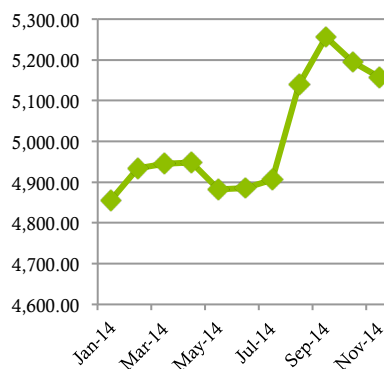
Kenya 3rd Nov – Kshs.9.40
 Airways Ltd 28th Nov –Kshs.8.25
-12%

Car & 3rd Nov – Kshs.55.00
 General Ltd 28th Nov –Kshs.49.00
-11%

COOP Bank 3rd Nov – Kshs.21.25
 28th Nov – Kshs.18.95
-11%

Kenya Power 3rd Nov – Kshs.16.90cd
 28th Nov –Kshs.15.45cd
-9%

NSE 20 Share Index EOM Movements 2014



Equity turnover. (Kshs. MN)14,319 ↓18%

Mkt Cap. (Kshs. BN) 2307.289 ↑ 3%

Bonds Turnover (Kshs.MN) 47,257 ↑ 31%

Equity trading down compensated by higher bond trading activity

Corporate Announcements (Extracts)

KENYA COMMERCIAL BANK GROUP LTD

FINANCIAL RESULTS FOR THE 3RD QTR 2014

GROUP ACCOUNTS	Sep-14	Sep-13	INC/DEC
	Kshs.000'	Kshs.000'	
Customer Deposits	350,104,094	301,062,919	16%
Loans and Advances to Customers	264,296,019	225,688,646	17%
Total Comprehensive Income	12,745,276	10,547,080	21%
EPS (Basic & Dilute)	5.5	4.83	14%

KCB Uganda and South Sudan continued to pull profits down, KCB Group nevertheless grew its PAT by 15.4% to \$137.7Million. The Kenyan operation remains dominant contributing 92% of the gross profit of \$196.5Mn. Uganda's figures were affected by non-performing loans, while continued political instability in South Sudan led to the closure of its branches in Marakal, Bentiu and Upper Nile. Overall, KCB's profits were boosted by a 36% year on year rise in total non interest income to Kes16.93Billion. The bank grew its loan book by 17%, helping boost fees and commissions on loans and advances by Kes967Mn for the nine month period compared to 2013.

COOPERATIVE BANK KENYA LTD

FINANCIAL RESULTS FOR THE 3RD QTR 2014

GROUP ACCOUNTS	Sep-14	Sep-13	INC/DEC
	Kshs.000'	Kshs.000'	
Customer Deposits	200,439,305	134,304,764	49%
Loans and Advances to Customers	175,970,122	134,304,764	31%
Total Comprehensive Income	6,944,206	7,103,638	-2%
EPS (Basic)	1.29	1.66	-22%

Co-op bank reported a 9% decline in net profit in the nine month period weighed by higher taxation and falling interest rates. The bank moved to the 30% bracket this year after the expiry of its five year tax holiday in 2013. In previous years following the 2008 IPO its returns were subject to a rate of 20%. The bank earlier in November announced the selection of Capita Plc as its preferred bidder to manage its mortgage processing operations – Britannia, Cooperative and Platform mortgage brands. This was in a move to consolidate and utilise up to date mortgage systems in the support of its plans for substantial growth in retail mortgages.

STANDARD CHARTERED BANK KENYA LTD

FINANCIAL RESULTS FOR THE 3RD QTR 2014

GROUP ACCOUNTS	Sep-14	Sep-13	INC/DEC
	Kshs.000'	Kshs.000'	
Customer Deposits	164,579,931	144,460,145	14%
Loans and Advances to Customers	125,392,306	123,633,548	1%
Total Comprehensive Income	8,333,989	7,172,182	16%
EPS (Basic & Dilute)	26.34	22	20%

Stanchart grew its after tax profit by 20% in nine months to 30th September 2014, helped by a cut in interest payments to depositors and sale of a property in the first half of the year. The bank paid its customers Kes2.2Bn for their savings (deposits) compared to Kes2.5Bn paid out last year. "Net interest income grew by 8% driven by strong growth in volumes but weighed down by the significantly lower interest rates charged in line with falling interest rates in the market," said the bank's chief executive.

DIAMOND TRUST BANK LTD

FINANCIAL RESULTS FOR THE 3RD QTR 2014

GROUP ACCOUNTS	Sep-14	Sep-13	INC/DEC
	Kshs.000'	Kshs.000'	
Customer Deposits	148,443,673	121,117,241	23%
Loans and Advances to Customers	126,210,466	102,235,592	23%
Total Comprehensive Income	4,209,966	4,146,121	2%
EPS (Basic & Diluted)	16.79	15.65	7%

DTB Kenya entered into an agreement with DEG- Deutsche Investitions for a long term loan of USD25Mn. The loan is expected to fund and scale up its small & medium enterprise loan portfolio. The bank recently raised an additional capital amount of Kes3.6Bn through its 4th successful rights issue. These funds, together with the DEG loan, will be used to further leverage its asset growth as well as improve its market positioning. The signing of the facility in Kenya comes on the back of long-term loan facilities DEG entered into with DTB Uganda and DTB Tanzania in 2013 and 2014, amounting to USD15Mn and USD7.5Mn respectively.

Corporate Announcements Cont'd (Extracts)

EAGAADS LTD

HALF YEAR UN-AUDITED FINANCIAL REPORT

GROUP ACCOUNTS	Sep-14	Sep-13	INC/DEC
	Kshs.000'	Kshs.000'	
Total Turnover	42,008	25,426	65%
Profit After Tax	11,998	(58,220)	121%
EPS (Basic & Diluted)	0.37	-1.81	120%

Unaudited results for the six months ended 30th Sept 2014 showed a net profit of Kes12Mn, compared to a loss of Kes58Mn during the same period in the previous year. This was due to a reported gain on the value of biological assets of Kes22.8Mn, compared to a Kes39.4Mn loss reported last year. The directors of the Ruiru based coffee producer have a positive outlook for the remainder of the year, with favourable coffee prices to hold out through the year, where most of its coffee sales will take place.

KAPHOURA TEA LTD

HALF YEAR UN-AUDITED FINANCIAL REPORT

GROUP ACCOUNTS	Sep-14	Sep-13	INC/DEC
	Kshs.000'	Kshs.000'	
Total Turnover	525,849	525,390	0%
Profit After Tax	47,713	76,959	-38%
EPS	12.2	19.67	-38%

Agricultural firm Kapchorua Tea saw its net profit for the half year drop 38%, taking a hit from lower valuations of tea. This was attributed to a growing glut that has depressed tea prices. The company's sales however rose marginally to Kes525.8Mn. There are no indications of the global tea market picking up in the near future; a situation that is expected to depress tea prices further. The company issued a profit warning statement anticipating earnings for the financial year ending March 2015 to be lower than the previous year's earnings by at least 25%.

FLAME TREE GROUP LISTS ON THE NSE

Flame Tree Group listed on the Growth and Enterprises Market Segment (GEMS), adding Kes1.52Bn valuation to the Nairobi Securities Exchange. The firm listed 190Mn shares at a price of Kes8.00 each on 6th November after it received regulatory approval. The Group's founder and Managing Director, Mr. Heril Bangera, retained an 85% stake in the company following the private placement. The company, founded in 1989, is a diversified consumer goods maker which produces household brands such as Roto Tanks, Zoe beauty products and Happy Golden Snacks. The company has had an annual turnover of between Kes1.6Billion and Kes2Billion from its operations in East Africa, the former (Kes1.6Bn) being recorded in 2013. Turnover in the half year to June 2014 stood at Kes778.5Mn. Net earnings for 2013 stood at Kes149Mn whilst the semi annual earnings to June 2014 were Kes78.3Mn. The Group has a workforce of 1000 employees, and operates in 6 countries (Kenya, Ethiopia, Mozambique, Rwanda, Mauritius and Dubai).

KURWITU VENTURES 3RD TO LIST ON GEMS BOARD

Sharia investment firm Kurwitu Ventures became the third company to list on the GEMS segment at the NSE after Home Afrika and Flame Tree Group. A list price of Kes1250 made it the NSE's priciest stock beating British American Tobacco (Kes1000) and Limuru Tea (Kes1020). The company listed just 102,272 ordinary shares with a par value of Kes100 each. Though Kurwitu has not reported a profit in the last two years, is valued at about Kes150Mn for the listing. Its main assets are three parcels of land in Lamu County bought in 2013 for Kes110Mn and now valued at Kes120Mn. It hopes to pioneer various investment products, services and real estate deals that adhere to Islamic Sharia Law. These include various asset backed securities and real estate investment products. "Raising capital from the public is not the top priority," the firm explained in its listing statement. It hopes to raise Kes400Mn over the next 3 years by private placement to go into "early stage equity investments" and continue to seek out corporate finance advisory deals.

KENYA AIRWAYS – Profit Warning announcement

Kenya Airways issued a profit warning statement for the financial year ending 31st March, 2015 due to the challenging business environment the airline has been facing. There were a number of external events primarily driving negative publicity around Kenya following a series of terror attacks and hostilities especially at the Kenyan coast. Travel advisories continue to have a direct negative impact on both the transatlantic and European traffic flows into the region. Whilst the prolonged outbreak of Ebola in Western Africa has adversely affected its flights and passenger numbers in & out of affected countries. The airline suspended operations into Freetown and Monrovia in August and is considering further capacity cuts in markets where revenues are not covering operational costs. Turnover over the period, fell short of expectations, only increasing by Kes2.4Billion. Second half year results of the airline are unlikely to reverse the full impact of the first half loss and attain results close to or at last year's results. A 25% decline in earnings is anticipated for the financial year 2014/2015.

Mutual Funds Performance



*ABIS Limited
is an Agent of BAAM*

BAAM has recently won the following prestigious awards:

- **Fund Manager (Alternative Investments and Private Equity) of the Year award for 2014.**
- **Best Performing Money Market Fund for 2014**
- **The Best Performing Other (Global Alpha) Fund award for 2014.**

The Investment Awards are organized by Think Business Limited in collaboration with Deloitte and Touché. 'These awards are the highest competitive recognition in the Fund Management industry in East Africa'.

'Once again, thank you for your continued support and we remain deeply committed to partnering with you.'

BRITAM LIMITED

ABIS Limited

Other Services offered by ABIS Limited

Your Will – Extracts from the Law of Succession Act



S.34 – Meaning of Intestacy

A person is deemed to die intestate in respect of all his free property of which he has not made a will which is capable of taking effect.

S. 35 - Where intestate has left one surviving spouse and child or children

(1) Subject to the provisions of section 40, where an intestate has left one surviving spouse and a child or children, the surviving spouse shall be entitled to -

- (a) the personal and household effects of the deceased absolutely; and
- (b) a life interest in the whole residue of the net intestate estate:

Provided that, if the surviving spouse is a widow, that interest shall determine upon her re-marriage to any person.

(2) A surviving spouse shall, during the continuation of the life interest provided by subsection (1), have a power of appointment of all or any part of the capital of the net intestate estate by way of gift taking immediate effect among the surviving child or children, but that power shall not be exercised by will nor in such manner as to take effect at any future date.

(3) Where any child considers that the power of appointment under subsection (2) has been unreasonably exercised or withheld, he or, if a minor, his representative may apply to the court for the appointment of his share, with or without variation of any appointment already made.

(4) Where an application is made under subsection (3), the court may award the applicant a share of the capital of the net intestate estate with or without variation of any appointment already made, and in determining whether an order shall be made, and if so what order, shall have regard to -

- (a) the nature and amount of the deceased's property;
- (b) any past, present or future capital or income from any source of the applicant and of the surviving spouse;
- (c) the existing and future means and needs of the applicant and the surviving spouse;
- (d) whether the deceased had made any advancement or other gift to the applicant during his lifetime or by will;
- (e) the conduct of the applicant in relation to the deceased and to the surviving spouse;

(f) the situation and circumstances of any other person who has any vested or contingent interest in the net intestate estate of the deceased or as a beneficiary under his will, if any; and

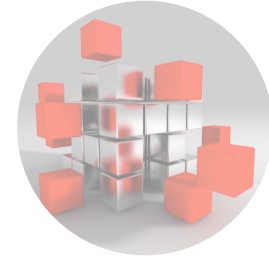
(g) the general circumstances of the case including the surviving spouse's reasons for withholding or exercising the power in the manner in which he or she did, and any other application made under this section.

(5) Subject to the provisions of sections 41 and 42 and subject to any appointment or award made under this section, the whole residue of the net intestate estate shall on the death, or, in the case of a widow, re-marriage, of the surviving spouse, devolve upon the surviving child, if there be only one, or be equally divided among the surviving children.

Source: Chapter 160 – Law of Succession Act

BPO - Administrative Services

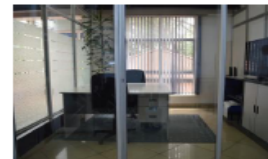
ABIS Limited offers a range of services depending on your needs. We will be handle your administrative requirements efficiently and effectively, and as you need them.



Offices to Let – New Muthaiga Sopping Mall

Call Maryann
On
0774-157-784
or
0771-343-478

Sq. Ft	1000
Monthly Rent	Kshs.131,236
Current Fixtures/ Layout	Office space (currently used for training), glass partitioned board room, small breakaway sound proof room



Can be taken in vacant possession or office furniture can be purchased

We wish all of our clients happy holidays & may the New Year bring in all you desire!

We thank you for your continued support & look forward to serving you in 2015



ABIS LIMITED

Member of Kenya Association of Stock Broker & Investment Banks

Apposite Business & Investment Services



Apposite Business & Investment Services (ABIS)
focusing on providing the missing services for businesses and individuals in East Africa

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