



ABIS LIMITED

Apposite Business & Investment Services

Markets Newsletter March 2015

Nairobi Securities Exchange

ABIS Limited is an Agent of Sterling Capital Limited

Month's Biggest Price GAINS

Safaricom Ltd	2 nd Mar – Kshs.15.65	31 st Mar –Kshs.17.05	+9%
Uchumi Supermarkets	2 nd Mar – Kshs.10.15xd	31 st Mar Kshs.10.75xd	+6%
Centum Investment Co	2 nd Mar – Kshs.60.00	31 st Mar – Kshs.63.50	+6%
Jubilee Ins. Ltd	2 nd Mar – Kshs.540.00	31 st Mar – Kshs.555.00ca	+2.8%
EABL Ltd	2 nd Mar – Kshs.303.00cd	31 st Mar – Kshs.311.00xd	+2.6%

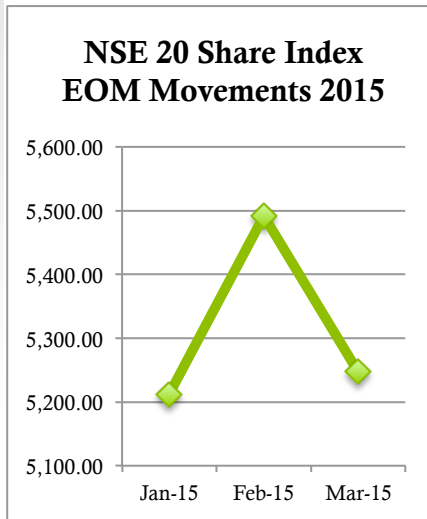
NSE INDEX



Month's Biggest Price DROPS

KENGEN Ltd	2 nd Mar – Kshs.12.25	31 st Mar – Kshs.9.85	-20%
Eaagads Ltd	2 nd Mar – Kshs.39.25	31 st Mar –Kshs.32.25	-18%
Kenya Airways	2 nd Mar – Kshs.9.90	31 st Mar –Kshs.8.20	-17%
Crown Paints	2 nd Mar – Kshs.143.00xd	31 st Mar – Kshs.119.00xd	-17%
Standard Group	2 nd Mar – Kshs.44.75	31 st Mar –Kshs.37.75	-16%

No. of Deals 44,594 ↑ 6.24%
 Total share volumes (MN) 621 ↑ 11%



Equity turnover. (Kshs. MN) 20,495 ↑ 29%
 Mkt Cap. (Kshs. BN) 2444.83 ↓ 0.34%
 Bonds Turnover (Kshs.MN) 47,303 ↑ 8%

In contrast to February March saw fewer gains and a declining Index

Corporate Announcements (Extracts)

BARCLAYS BANK GROUP LTD

AUDITED RESULTS FOR THE YEAR ENDED

GROUP ACCOUNTS	Dec-14	Dec-13	INC/DEC
	Kshs.000'	Kshs.000'	
Customer Deposits	164,778,724	151,121,844	9%
Loans & Advances to Customers	125,423,371	118,361,911	6%
Total Comprehensive Income	8,480,326	7,427,863	14%
EPS (Basic & Dilute)	1.54	1.4	10%

The Bank's 10% increase in profits was attributed to a 6% reduction in operating costs to Kes14.6Billion. Its net interest income increased by 4%. Barclays reduced its cost of loans borrowed on variable terms by 0.6% in February, in line with new KBRR for pricing loans. Going forward, the bank highlighted that it will be focused on accelerating its financial momentum in strategic growth segments, most notably in SME and investment banking. Early this month, it announced that it will no longer require its SME customers to provide audited financial statements for asset-based credit requests of up to Kes15Mn, but will instead rely on non-financial behavioural score cards to assess loan requests.

HOUSING FINANCE CO. LTD

AUDITED RESULTS FOR THE YEAR ENDED

GROUP ACCOUNTS	Dec-14	Dec-13	INC/DEC
	Kshs.000'	Kshs.000'	
Customer Deposits	36,105,929	26,507,204	36%
Loans & Advances to Customers	45,243,539	35,215,897	28%
Total Comprehensive Income	1,098,813	1,052,214	4%
EPS (Basic)	4.21	4.31	-2%

Housing Finance announced its results marking a 2% drop in PAT. The numbers were weighed down by an exceptional item of Kes18.3Mn reported, in the absence of which PAT would have fallen marginally by 0.2%. The mortgage lender recently concluded a Kes3.5Billion rights issue that recorded a 157% oversubscription. The 1:2 offer at Kes30per share attracted bids worth Kes9.01Bn. The funds are to be used to expand its mortgage lending capacity, as well as growing its presence in the country. A target of 7 branches will be opened during the year. The lender's previous rights issue (2008), was oversubscribed by 103%, and raised Kes2.3Bn.

CIC INSURANCE GROUP LTD

AUDITED RESULTS FOR THE YEAR ENDED

GROUP ACCOUNTS	Dec-14	Dec-13	INC/DEC
	Kshs.000'	Kshs.000'	
Net earned premiums	12,310,324	9,155,682	34%
Net Claims & Policyholder benefits	8,641,875	6,020,059	44%
EPS (Basic)	0	1	-28%
Total Comprehensive Income	1,124,584	1,362,562	-17%

CIC Insurance posted a 17% drop in pretax profit which it attributed to an increase in claims-particularly in its medical business. Its medical claims surged 30% to Kes6Billion. It collected premiums of Kes3Billion under the medical business and incurred claims of Kes2.9Billion with the other expenses being administrative. Data from Insurance Regulatory Authority showed that Kes12.3Billion was paid out in claims for covers up from Kes9Billion in 2013. The rise was attributed to fraud and high healthcare costs, with some hospitals reviewing their prices twice in 2014. The listed insurer has hired a team of medical experts to investigate suspected fraudulent claims. Both medical and motor vehicle insurance sectors have suffered over the years from fraudulent claims.

DIAMOND TRUST BANK LTD

AUDITED RESULTS FOR THE YEAR ENDED

GROUP ACCOUNTS	Dec-14	Dec-13	INC/DEC
	Kshs.000'	Kshs.000'	
Customer Deposits	160,955,609	128,788,398	25%
Loans and Advances to Customers	137,654,551	110,945,439	24%
Total Comprehensive Income	5,480,640	5,540,763	-1%
EPS (Basic & Dilute)	21.92	20.97	5%

Whilst a 9.1% rise in PAT was reported, Diamond Trust Bank's total comprehensive income declined 1% due to a reported foreign exchange loss of Kes228Million over the period. The group's asset base went up by 2% with its customers deposit base rising by 25%. This was attributed to its continuously expanding customer base serviced through branches as well as, technology anchored, alternate delivery channels, including mobile banking & internet banking. The Bank's subsidiaries improved performance, also contributed to overall growth. In Kenya, the bank currently has 51 branches, Uganda 33, Tanzania 22 and 4 in Burundi.

Corporate Announcements Cont'd (Extracts)

KENYA REINSURANCE CORP. LTD

AUDITED RESULTS FOR THE YEAR ENDED

GROUP ACCOUNTS	Dec-14	Dec-13	INC/DEC
	Kshs.000'	Kshs.000'	
Net earned premiums	10,313,408	8,581,830	20%
Net Claims & Policyholder benefits	5,957,540	4,723,170	26%
EPS (Basic)	4.48	3.99	12%
Total Comprehensive Income	3,417,735	3,308,781	3%

Kenya Reinsurance registered a 12.4% growth in net profit on the back of an increase in net premiums and higher investment income. The company attributed this performance to the overall insurance premium growth in Kenya and the rest of Africa, where the corporation derives the bulk of its revenues. As part of its expansion strategy, the Group acquired a 7% stake in Uganda Re, and plans are under way to set up a subsidiary in Zambia. This will be in addition to the reinsurer's operations in Abidjan, Ivory Coast which serve the West African and Francophone markets.

CARBACID INVESTMENTS LTD

UN-AUDITED RESULTS FOR 6 MONTHS ENDED

GROUP ACCOUNTS	Jan-15	Jan-14	INC/DEC
	Kshs.000'	Kshs.000'	
Turnover	410,209	473,761	-13%
Operating Profit	215,976	259,413	-17%
Net Profit	221,200	235,162	-6%
EPS (Basic & Dilute)	1	1	-5%

Industrial gas manufacturer Carbacid reported a 6% drop in its net profit. The decline in profitability and sales was attributed to lower carbon dioxide exports, increased operating costs and mining royalties. State-owned Geothermal Development Company (GDC) announced its intention to enter the carbon dioxide production business, signalling increased competition in the sector. GDC is currently determining the viability of the proposed venture at Menengai geothermal field in Nakuru. GDC's entry is set to intensify competition for players in the food and beverage industries, the major consumers of carbon dioxide.

FLAME TREE ACQUIRES FOOD BRANDS

Flame Tree acquired four food and snack brands from Chirac Kenya- Natures Own (spices), Chigs (potato crisps), Honey Comb (biscuits) and Gonuts (nuts). The addition of the new brands and assets more than doubles the size of the Flame Tree Group food portfolio. Currently food and snacks only account for around 1% of FTG's total revenues. With the foods and snacks sectors generally providing higher margins, the acquisitions should yield higher returns. It should also cushion it from possible margin declines in other product lines due to increased competition. Currently these include cosmetics, plastics & trading. Last year, the company raised US\$2.2Million through a private placement which was over-subscribed by 50%, leading to its listing on the GEMs board. It has operations in Kenya, Rwanda, Ethiopia, Mauritius, Mozambique and Dubai.

CENTUM INVESTMENTS SIGNS REA VIPINGO DEAL

Investment firm, Centum reached a multi-billion shilling deal with REA trading that will see it withdraw its hostile takeover bid for Rea Vipingo. The deal reached being that Centum will now acquire 10,546 acres of Rea Vipingo land for Kes2Bn in exchange for withdrawing its rival bid. The settlement will allow Rea Trading who directly owns 57% of Rea Vipingo, to proceed with their offer to buy out the company at a price of up to Kes85 per share and delist it from the stock market. Rea Trading is owned by two British brothers, Richard and Jeremy Robinow. The parties had engaged in a series of bidding wars since the Robinows first made a buyout offer of Kes40 per share in November, 2013 with Centum's last offer standing at Kes75 per share. The shareholders followed by raising their bid to Kes70 per share and a possible top-up of Kes15 per share representing distribution of gains from sale of the company's land holdings. The bidding war and subsequent settlement underlines the fact that Rea's major value lies in its land which is reportedly worth a good deal more than the Kes2.4Bn (the brothers initial offer of Kes40). The agricultural company's market capitalisation, based on the last trading price of Kes27.50 per share, stands at Kes1.6Billion or just 31% of the Kes5.1Billion valuation by the Robinows' current offer.

KCB and Safaricom launched a new mobile banking platform dubbed KCB MPesa account. The new product will allow customers to borrow up to Kes1Mn with interest rates as low as 2%. After an assessment of one's credit worthiness, which is based on savings made by the customer on both KCB and Safaricom platforms, MPesa balance and usage of suite products, a credit scoring system tells customers if they qualify for a loan. The loan facility will be instant and will have a one to six months repayment period. The product will also allow users to save, carry out standing orders and fixed deposits on their phones as well as access both Safaricom and KCB channels. According to KCB management, in the last one year, value of customer transactions with MPesa tripled to Kes125Bn. In the financial year 2014, KCB recorded 11Mn transactions on its mobile MBenki platform as well as issued Kes589Mn in loans. Additionally, the bank had Kes59Bn in deposits on their mobile platforms and Kes66Bn in withdrawals. Current mobile loans are limited to Kes20, 000 with a one-off 7% fee. However this is set to be increased to Kes100, 000 to increase borrowing from SME's.

Equity Bank also has a mobile banking platform-Eazzy 24/7, which has 3.2Million customers and offers loans at 2% per month on a flat rate with loan limits tied to customer credit scoring and previous transactions. On its Equitel platform, the lender disbursed loans amounting to Kes19.5Mn as at December 2014. Whilst, Commercial Bank of Africa's MShwari charges a 7.5% fee on its loans with a one month repayment period. Overall, the banking industry is moving towards mobile platforms to increase access to customers and the mobilisation of loans.

Source: Nairobi Securities Exchange – Company announcements / Corporate press releases / Daily Nation, Business Daily

Mutual Funds Performance

Cash Management Solution

Minimum investment Kshs.1.0Mn

Term	Rate Per Annum %
1 month	10.5
3 months	11.25
6 months	10.5
1 yr	10.5



*ABIS Limited
is an Agent of BAAM*



THE CASH MANAGEMENT SOLUTION



- This is a fixed deposit investment
- **Minimum Initial Investment Amount** :- KES. 1 million
- **Minimum Top up Amount**:- KES.500,000.00
- **Duration of Investment**: A choice of either 1,3,6 or 12 Months. This is agreed on in advance.
- On maturity, the client can withdraw the funds, roll them over at the prevailing interest rate or switch to other unit trust funds.
- **Rate of Return**: The rate of return on investments is subject to change based on the communicated rate.
- New rates are communicated at the beginning of the week are applicable for all funds reaching our account by Thursday of the same week.



BRITISH AMERICAN MONEY MARKET FUND



- Suitable for investors who seek low risk, high interest portfolios
- Offers capital stability and immediate liquidity
- The fund invests in Money Market instruments i.e. Treasury Bills, Commercial Papers, Fixed Deposits
- Income accrues daily and is re – invested: Whenever the investor wants to exit the fund, they're assured of getting their market value
- Current annual yield as at 14 January 2014 is 11.38% (The rate changes on a daily basis and as such interest is calculated based on the published return)
- The published returns are net of 2% Annual Management fees but gross of 15% withholding tax

Source: BRITAM – Extracts from 'Britam AMC Product Introduction'

ABIS Limited

Other Services offered by ABIS Limited

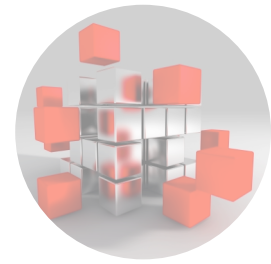
Your Will

A will allows you to clearly set out and communicate to your family and friends, who you may wish to look after minor children, and who you wish to oversee your affairs.

Make the decision today to look after your affairs and loved ones. Talk to ABIS Limited



BPO - Administrative Services – 'NHIF Enhanced Benefits -Ad



Out-Patient Cover

- General consultation
- Diagnostics & treatment of common ailments
- Prescribed laboratory & X-ray investigation services
- Prescribed drugs administration & dispensing
- Management of chronic ailments (HIV/AIDS, Diabetes, Asthma, Hypertension, Cancer)
- Health & wellness education/ healthcare counselling such as screening of conditions eg. Cervical cancer & prostate cancer
- Treatment of sexually transmitted diseases
- Minor surgical services
- Family planning/ midwifery/ ante/ post –natal services
- Referral for specialised services
- Renal dialysis

Out-Patient Cover

- Consultation
- Hospital daily charges
- Nursing care
- Prescribed diagnostic laboratory or other medically necessary services
- Physician's, surgeons, or physiotherapists fees
- Operating theatre charges
- Specialist consultations or visits
- Prescribed drugs/ medications & dressings

Maternity Cover

- Consultation and treatment for both mother & child
- Child birth including caesarean section deliveries
- Family planning services

With Effect from 1st April 2015

Gross Income Kshs.	Monthly Premium Kshs
0-5,999	150
6,000 – 7,999	300
8,000 – 11,999	400
12,000- 14,999	500
20,000- 24,999	750
25,000- 29,999	850
30,000- 34,999	900
35,000- 39,999	950
40,000- 44,999	1000
45,000- 49,999	1100
50,000- 59,999	1200
60,000- 69,999	1300
70,000- 79,999	1400
80,000- 89,999	1500
90,000- 99,999	1600
100,000 & over	1500
Self employed (special)	500



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Member of Kenya Association of Stock Broker & Investment Banks

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

