



# ABIS LIMITED

Apposite Business & Investment Services

## Markets Newsletter May 2015

### Nairobi Securities Exchange

ABIS Limited is an Agent of Sterling Capital Limited

#### Month's Biggest Price GAINS

Crown Paints Ltd	1 <sup>st</sup> May– Kshs.115.00ca 29 <sup>th</sup> May –Kshs.161.00ca <b>+40%</b>
Liberty Kenya Holdings	1 <sup>st</sup> May– Kshs.21.00cd 29 <sup>th</sup> May Kshs.24.75 <b>+18%</b>
NSE Ltd	1 <sup>st</sup> May– Kshs.19.40cd 29 <sup>th</sup> May – Kshs.21.25cd <b>+9.5%</b>
BAT Kenya Ltd	1 <sup>st</sup> May– Kshs.719.00 29 <sup>th</sup> May – Kshs.772.00 <b>+7.4%</b>
E. A. Portland Ltd	1 <sup>st</sup> May– Kshs.55.00 29 <sup>th</sup> May – Kshs.59.00 <b>+7.3%</b>

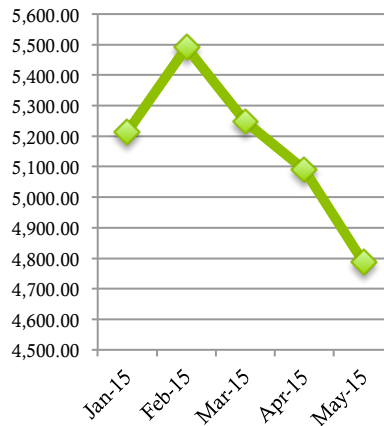
#### NSE INDEX



#### Month's Biggest Price DROPS

Pan Africa Ins.	1 <sup>st</sup> May– Kshs.122.00cb 29 <sup>th</sup> May – Kshs.80.00xb <b>-34%</b>
CFC Stanbic	1 <sup>st</sup> May– Kshs.124.00cd 29 <sup>th</sup> May –Kshs.103.00cd <b>-17%</b>
Trans Century Inv.	1 <sup>st</sup> May– Kshs.15.40 29 <sup>th</sup> May –Kshs.13.00 <b>-16%</b>
I&M Holdings	1 <sup>st</sup> May– Kshs.138.00xd 29 <sup>th</sup> May – Kshs.117.00 <b>-15%</b>
Car & General Ltd	1 <sup>st</sup> May– Kshs.48.75xd 29 <sup>th</sup> May –Kshs.41.50xd <b>-15%</b>

#### NSE 20 Share Index EOM Movements 2015



No. of Deals 37,733 ↑ 4%  
Total share volumes (MN) 700.31 ↑ 44%

Equity turnover. (Kshs. MN) 21,960 ↑ 50%  
Mkt Cap. (Kshs. BN) 2267.71 ↓ 7%  
Bonds Turnover (Kshs.MN) 23,321 ↓ 18%

*The Bears have started to enter the market pushing trading up, as market value continues to decline*

## Corporate Announcements (Extracts)

### KENYA COMMERCIAL BANK LTD

#### UN-AUDITED QUARTER RESULTS FOR THE PERIOD ENDED

GROUP ACCOUNTS	Mar-15	Mar-14	INC/DEC
	Kshs.000'	Kshs.000'	
Customer Deposits	397,102,268	313,509,755	27%
Loans and Advances to Customers	297,031,494	233,783,558	27%
Total Comprehensive Income	4,458,819	3,995,939	12%
EPS (Basic & Dilute)	5.77	5.23	10%

KCB Group reported a 12% net profit growth in its first quarter. The lender's performance was driven by increased interest (11% - Kes8.3Bn) and transaction-based income recorded. The Group CEO further attributed higher earnings to its continued focus on driving up non-funded income. KCB is targeting a cash injection of \$300Mn (Kes28.2Bn) this year, from development finance Institutions (DFIs), which will see its long-term loan book more than double. According to the bank, these funds will primarily be extended to businesses in the energy, construction, horticulture and export sectors where the demand for loans remains high.

### DIAMOND TRUST BANK GROUP LTD

#### UN-AUDITED QUARTER RESULTS FOR THE PERIOD ENDED

GROUP ACCOUNTS	Mar-15	Mar-14	INC/DEC
	Kshs.000'	Kshs.000'	
Customer Deposits	163,260,843	134,296,712	22%
Loans and Advances to Customers	144,871,228	114,970,766	26%
Total Comprehensive Income	1,164,409	1,263,932	-8%
EPS (Basic & Dilute)	5.56	5.53	1%

DTB first quarter's results reflected a 9% increase in PAT, Kenyan operations rising by 15.8%. Its regional PAT however declined by 5.2%, being weighed down by a 22% rise in interest expenses and a 19% jump in operating expenses. The lender's non-performing loans were up by 21% with the Kenya unit accounting for 70% of the this. DTB floated a Kes3.6Bn rights issue last year to fund its regional expansion with a focus on DR Congo, Madagascar and Rwanda. It currently has presence in Kenya, Uganda, Tanzania and Burundi.

### STANDARD CHARTERED BANK LTD

#### UN-AUDITED QUARTER RESULTS FOR THE PERIOD ENDED

GROUP ACCOUNTS	Mar-15	Mar-14	INC/DEC
	Kshs.000'	Kshs.000'	
Customer Deposits	163,428,081	149,640,970	9%
Loans and Advances to Customers	114,060,421	127,587,091	-11%
Total Comprehensive Income	1,725,387	2,728,751	-37%
EPS (Basic & Dilute)	5.85	8.13	-28%

Stanchart's released first quarter results reflected a 28% decline in profit. This was mainly attributed to a 5.4% drop in total income and a 249% jump in loan loss provisions. The lender's loan growth contracted for the fourth quarter to 7.1%. Non-performing loans increased due to tightened regulations by the Central Bank of Kenya. The Group's Chairperson however stated that after compliance, non-performing loans would '...reduce from the high of 372% increase to a low of about 5%..'. The Bank's previous financial year (2014), saw a Kes7Bn decline in loans, whilst its loans default book had jumped to Kes10.7Billion from Kes3.8Billion in the same period. It's unclear if Stanchart is retreating to its pre-2010 "Conservative Bank" strategy- of low allocation to loans and focus on short-term working capital loans.

### NATIONAL BANK OF KENYA LTD

#### UN-AUDITED QUARTER RESULTS FOR THE PERIOD ENDED

GROUP ACCOUNTS	Mar-15	Mar-14	INC/DEC
	Kshs.000'	Kshs.000'	
Customer Deposits	85,262,783	81,747,128	4%
Loans and Advances to Customers	70,050,360	47,193,129	48%
Total Comprehensive Income	498,402	414,217	20%
EPS (Basic & Dilute)	1.77	1.47	20%

NBK's first quarter's rise of 20.5% in EPS, was aided by a 19.5% increase in Net Interest Income. Its loan loss provisions were up by 10% with total non-performing loans growing by 32.5%. The lender's capital base is currently below regulatory minimums with Tier 1 at 11.9% and Tier 2 at 12.9% against regulatory minimums of 10.5% and 14.5% respectively. The bank has been going through a revamp to cut overall costs. Earlier this year, NBK indicated its intention to raise Kes13Bn with a cash call to support more lending and fund operations in new markets.

## Corporate Announcements Cont'd (Extracts)

### NIC BANK LTD

#### UN-AUDITED QUARTER RESULTS FOR THE PERIOD ENDED

GROUP ACCOUNTS	Mar-15	Mar-14	INC/DEC
	Kshs.000'	Kshs.000'	
Customer Deposits	96,128,684	92,373,728	4%
Loans and Advances to Customers	105,555,857	85,458,931	24%
Total Comprehensive Income	705,247	1,434,666	-51%
EPS (Basic & Dilute)	1.55	1.63	-5%

NIC Bank recorded a 2% profit growth in the 1st quarter of 2014, being negatively affected by a sharp increase in bad debts. Gross non-performing loans rose by Kes3Bn to Kes9.1Bn, causing the lender to increase its provision for potential losses from bad debts. These provisions were the main driver of the 43.2% jump in total operating expenses to Kes1.7Billion. Last year's bonus and rights issues created 42.6Mn new shares in a transaction that raised 2.1Billion, and their dilution saw its EPS decline by 5% to Kes1.55.

### SASINI LTD

#### UN-AUDITED QUARTER RESULTS FOR THE PERIOD ENDED

GROUP ACCOUNTS	Mar-15	Mar-14	INC/DEC
	Kshs.000'	Kshs.000'	
Revenue	1,268,315	1,377,568	-8%
Profit before Tax	(131,425)	40,744	-423%
Net Profit	(91,997)	28,521	-423%
EPS (Basic & Dilute)	(0.42)	0.10	-520%

Sasini Tea's first quarter's results reflected a decline in revenues and a bottom line loss. Fair value Losses from biological assets widened to Kes59.1Million compared to last year's of Kes12.3Million. Performance was also affected by negative performances in profits from its subsidiaries with non controlling interests (48%). The company's performance is expected to be further affected by the fluctuating tea and coffee prices.

### EQUITY BANK TO ACQUIRE CONTROLLING INTEREST IN PROCREDIT BANK DRC

Equity Bank has expanded its operations into DR Congo, with its 70% acquisition of ProCredit Holding AG & Co. and its affiliate companies. Completion of the transaction is subject to regulatory approval, anticipated to be August 2015. ProCredit Bank has been in operation since 2005, and total assets in the financial year 2014, stood at USD213Mn, whilst PAT was USD2.6Mn. The bank operates 15 branches and boast of being the pioneer in alternative banking channels in the country (50,000 m-banking & e-banking clients). According to Equity, the investment opportunity offers a clear strategic fit between the two businesses – i.e. focus on SME, retail market and use of technology to drive customer reach. Its comparatively low banking penetration in DRC (19% vs. 53% in Kenya), provides Equity with an opportunity to scale up business via agency banking and mobile banking channels. A recent push by Government to have all public sector workers and state official payments made through the banking system and projected strong economic outlook, further provide significant growth prospects in the country. The DRC bank has amongst its remaining shareholders the German Development Bank KfW (12% stake) and the International Finance Corporation (9% stake). DRC's banking system is mainly dominated by family owned banks (71% of sector deposits).

### KENYA RE ACQUIRES INTEREST IN UGANDAN STATE OWNED UNDERWRITER & ATI

Kenya Reinsurance has acquired stakes in Uganda Re and Africa Trade Insurance (ATI) with the intention of diversifying its revenue streams. The reinsurer acquired a 5% stake in Uganda Reinsurance Company at Kes20Mn. Uganda Re benefits from a 15% mandatory cession of all reinsurance business in Uganda. Kenya Re had however sought to buy 20% of the reinsurer but was only able to secure 5% shareholding. Kenya Re also bought 10 shares in ATI at a cost of Kes88Mn making it the third largest private investor in the company. National Treasury is the largest shareholder in the company with 283 shares worth Kes2.6Bn. The Treasury is also the majority shareholder of Kenya Re with a 60% stake. Kenya Re has been diversifying its income sources with regional expansion and acquisition of stakes in other companies. It owns 16% of regional reinsurer Zep Re, though this is likely to be diluted with IFC's planned investment of 11% in the underwriter.

# Mutual Funds Performance

## Cash Management Solution

Minimum investment Kshs.1.0Mn

US Dollar Minimum investment  
US\$100,000



ABIS Limited  
is an Agent of BAAM

Term	Rate Per Annum %
1 month	10.50
3 months	11.50
6 months	11.00
1 yr	11.00

Term	Rate Per Annum %
1 month	2.00
3 months	3.00
6 months	3.25
1 yr	3.50

## British American Unit Trust Cumulative Fund Performance (%)

Portfolio	Inception Date	May 15	1 Year (May - 2014 – May 2015)
Money Market Fund	1/1/2006	.8#%	10.57%
Bond Plus Fund	4/4/2006	.90%	11.03%
Balanced Fund	4/4/2006	-.96%	11.70%
Equity Fund	4/28/2006	-3.42%	11.96%

Source: BRITAM – BRITAM Disclaimer: Unit Trusts are generally medium to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to the future. In certain specified circumstances, the right to redeem the units may be suspended. Unit trust values are calculated on a net asset value basis, which is the total of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio. Unit Trusts are traded at ruling prices.

## ABIS Limited

### Other Services offered by ABIS Limited Your Will – Codicil or new Will?

Most people review their wills when they have children or grandchildren or when their financial situation changes and they acquire assets. Depending on what sort of change you're making, you should either add to your will or write a new one. It's a good idea to review your will every now and then to make sure it still says what you want it to say. You can make small changes by adding a note to your existing will, this document is called a **codicil**. However, if the changes are more significant it is better to write a new will. There are no rules about what you can change using a codicil, it could be anything from a single word to many different sections of your will. But codicils should be used only for very small changes, as they can make sorting out your will more complicated when you die. A codicil has to be signed and witnessed in the same way as your original will, but you don't need to use the same witnesses. You should not use someone as a witness if they or their husband/wife or partner benefits from a gift in the codicil, as this will make the gift to them (in the codicil) invalid.



A codicil should be kept with your original will to avoid problems over the original will, should the codicil be misplaced/get lost.

Writing a new Will, is the best option, especially if you want to make anything more than very small changes. It's just like writing your will for the first time. You need to make sure your new Will clearly says that it revokes any older wills or codicils. Any old copies should be destroyed to avoid there being two or more wills which could be found and might not be clear which one should be followed. Your executor should know where your new will is kept so they can find it when the time comes.

**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*

# ABIS Limited

*Other Services offered by ABIS Limited*

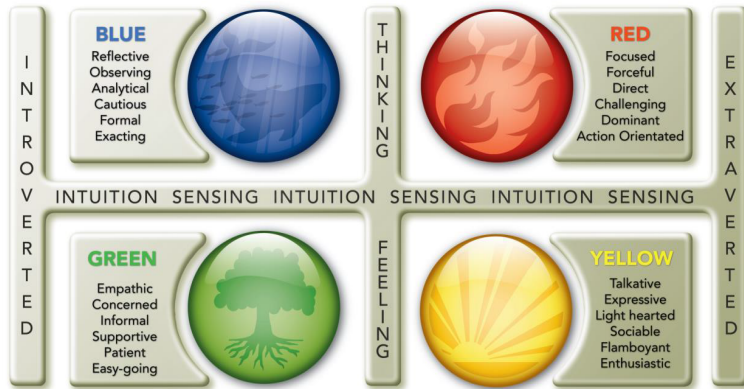


The Clarity 4D personality profile identifies behavioral personality preference traits allowing you to get the best from your team. The tool can be used to profile all levels of staff; to find the best fit for existing personnel, as well as forming part of your organisation's recruitment & selection process. Through Clarity 4D, great teams can be built, and executive coaches/mentors can significantly enhance their facilitation & guiding skills.

The underlying principle focuses on **unlocking potential** through exploration of four dimensions:

- 1. How we see ourselves**
- 2. How others see us**
- 3. Our hidden potential**
- 4. The time it takes to develop our potential**

Our online tool is **simple** to administer; **affordable** to apply; **global** in use and profiling; and **effective** in its outcome and guidance.



Accredited by  
**clarity4D**

unlock the real you



**EvolutionAfrica**

**Certified Business Partner of Clarity 4D, a unique Personality profiling Tool**

## Administrative Services

The business process outsourcing (BPO) industry has grown significantly over the last few decades. More and more administrative services are being outsourced to BPO companies. All types and sectors of businesses have moved in this direction seeing the benefits of outsourcing administrative tasks. There are both cost and time saving benefits. Technology has seen the growth of online and virtual services and support, which have further developed the industry.

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



**ABIS LIMITED**

*Member of Kenya Association of Stock Broker & Investment Banks*

**Apposite Business & Investment Services**

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

