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BUSINESS DAILY

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KCB takes pole position in battle to acquire troubled Chase Bank

BY NEVILLE OTUKI

The Central Bank of Kenya (CBK) last evening moved to calm nerves in the troubled banking sector with the announcement that it was opening a special window to support small banks in distress because of a confidence crisis arising from last week's sudden closure of Chase Bank.

Central Bank of Kenya (CBK) governor Patrick Njoroge made the announcement at a Press conference and promised that the facility would be available from 11 a.m today.

"From tomorrow, Monday at 11 am, we will avail a facility to any bank or microfinance institution that comes under liquidity pressure arising from no fault of their own," Dr Njoroge said.

The CBK is offering the facility as a lender of last resort to cash starved institutions at the risk of distress from loss of confidence in small banks. Dr Njoroge said there will be no limit as to how much support the lenders will get.

Asked why the CBK did not offer Chase Bank such help, Dr Njoroge said banking "institutions are in a state of flux and as such the need to improve the instruments in our tool kit."

CBK created the special facility even as it emerged that a number of local banks have lined up to buy Chase Bank on the cheap. The Joshua Oigara-led KCB was last night said to be in pole position to buy the troubled lender whose most valuable asset is its control of the small and medium-sized enterprises (SMEs) market where growth has been strong and returns big.

The list of suitors also includes Equity Bank, Commercial Bank of Africa, I & M Bank and investment firm Centum, which is said to be keen on merging Chase Bank operations with its SME-focused associate Sidian Bank (formerly K-Rep).

Ndegwa family sued over sale of ICEA tower

BY BRIAN WASUNA

Billionaire businessman and Capital Markets Authority chairman James Ndegwa's family has been sucked into a vicious dispute over the Sh1.85 billion sale to Jomo Kenyatta University of Agriculture and Technology (JKUAT) of the iconic ICEA building in central Nairobi.

Livingstone Real Estate, an agent, has moved to court against ICEA Lion Life Assurance Company, which is owned by the Ndegwa family, claiming it has been not been paid its dues after it found a buyer for the 21-floor tower.

The real estate dealer says ICEA Lion has refused to pay the agreed 2.5 per cent commission (Sh46.25 million) and instead that the deal was brokered by Knight Frank – another **NDEGWA, Page 4»**



Central Bank of Kenya (CBK) Governor Patrick Njoroge addressing journalists at his office in Nairobi last evening where he said that CBK had set aside a facility to support banks experiencing liquidity pressure. EVANS HABIL

BRIEFING

Treasury freezes Uhuru, Ruto pay rise in austerity drive

President Uhuru Kenyatta's pay rise and that of his deputy, William Ruto, have been frozen for the next two years amid a government push to curb the ballooning civil service wage bill. **Page 5»**

Ex-PS pockets Sh430m in railway land compensation

A former permanent secretary in the Moi administration is among the top beneficiaries of the Sh30 billion set aside to compensate landowners in the ongoing standard gauge railway (SGR) construction. **Page 6»**

Centum sets aside Sh390m to buy Longhorn majority stake

Centum Investment has set aside over Sh390 million as it prepares to take a majority stake in Longhorn Publishers during its upcoming Sh530 million rights issue. **Page 8»**

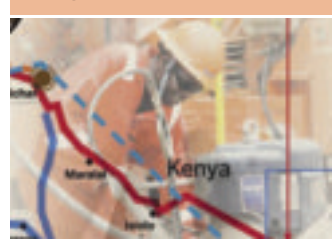
Staff costs rise as banks fight to slow down expenses

Banks registered a mixed trend in employee cost management last year even as they remained under pressure to manage costs and maintain the profit trajectory of recent years. **Page 19»**

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Battle of wits hots up as Kenya, Uganda officials resume oil pipeline talks

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EAST AFRICA WEATHER TODAY



East Africa : forecast

	Nairobi	Kampala	Dar es Salaam
Mon	26°C	30°C	33°C
Tue	25°C	28°C	32°C
Wed	25°C	28°C	32°C

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Fire kills 100



INDIA Rescuers search for survivors after an explosion and fire at the Puttingal Devi Temple in Paravur early yesterday. A massive fire swept through the temple in southern India, killing more than 100 people after thousands gathered to watch an illegal fireworks display. AFP

What is making news this week

Monday, April 11, 2016

Chief executive starts term at CMC Motors

CMC Motors will today unveil a new chief executive to lead the company which has previously been rocked by leadership wrangles and stashing huge sums of cash in a secret account in Jersey.

Al Futtaim — which wholly-acquired CMC Holdings in a Sh7.5 billion deal — says it is no longer interested in recovering the billions but wants to focus on expanding market share and growing earnings.

Cytonn breaks ground for Ruaka 400-unit property

Real estate-focused private equity fund Cytonn will today break ground for a residential project dubbed 'Alma' featuring 408 units sitting on a 4.18 acre piece of land located in Ruaka, Kiambu County.

The project will also have a nursery school, gym, mini market, restaurant, swimming pool, borehole and sewer treatment facility.

It is on sale offline at Sh5 million for one-bedroomed units, Sh7 million for two bedroomed and Sh8.5 million for three bedroom apartments.

World Bank releases report on state of African economy

The World Bank will outline Africa's state of the economy in its half-year report dubbed *Economic Update* which looks at economic indicators and growth forecasts.

The report will feature an in-depth analysis of the continent's emerging economic trends, poverty alleviation, economic progress and challenges in major economies such as South Africa, Nigeria, Kenya and Ghana.

Tuesday, April 12

Upper Hill investors discuss delayed infrastructure



Businesses in Nairobi's Upper Hill district meet on Tuesday to take stock of infrastructure projects in the area bogged down by delays in road construction.

The area, which is now Kenya's financial district, hosts prominent institutions such as World Bank country offices, and headquarters of Britam, Equity Bank, CBA, the Teachers Service Commission, KCB and high-end hotels such as Radisson Blu.

Wednesday, April 13

Thais welcome New Year

The Thai New Year will be marked on Wednesday, which coincides with the rising of Aries on the astrological chart.

Thais living in Kenya will converge to celebrate the day.

According to Thai tradition, the day is marked by temple visits, offering food to the Buddhist monks and water pouring on Buddha statues.

Thursday, April 14

Key date for Longhorn Publishers rights issue

Thursday is the last day to buy Longhorn Publishers' shares for one to qualify for the forthcoming Sh530 million rights issue which opens next week.

The publisher plans to issue 126 million new shares at Sh4.20 each at a ratio of 0.86 shares for every share held — and the funds will be used to fund regional expansion, bring new products to market and retire expensive debt.

Homes exhibition brings developers under one roof

A property industry exhibition dubbed Kenya Homes Expo opens on Thursday bringing together real estate developers, mortgage financiers, building contractors and regulatory agencies.

The expo will also highlight low-cost housing technologies targeted at the mass market to help meet Kenya's housing shortage conservatively estimated at 200,000 units annually.

Sunday, April 17

Kenyans gun for honours in Hamburg Marathon

Kenyan elite athletes will on Saturday be gunning for top honours at the Hamburg Marathon in Germany.

Those flying the Kenyan flag include Edward Mungai and Hirum Wandangi.

DON'T MISS PAGES 27-31

LIFE



MONDAYS - PERSONAL FINANCE



TUESDAYS - CONSUMER



WEDNESDAYS - HEALTH



THURSDAYS - INNOVATION



RADAR SCREEN ■ BBC

ENVIRONMENT Rise in demand for food, energy use, emissions, as plunder of Earth's natural resources and habitats continues

Sustainability the key to long-term corporate health

The world is undergoing extraordinary change, the like of which has never been seen before.

Driving this transformation is an unprecedented explosion in the human population, accompanied by a remarkable surge in economic growth and wealth creation.

The consequences for the natural world that supports us all are both serious and, in some cases, potentially irreversible.

Indeed, the numbers, many of which are outlined below, are as alarming as they are revealing.

On the one side we have what academics refer to as the Great Acceleration — for example, a massive upswing in demand for food and water, energy use, greenhouse gas emissions, fertiliser consumption and ocean acidification.

On the other, a plundering of Earth's finite natural resources and a destruction of its natural habitats — from deforestation and soil degradation to collapsing fish stocks and species extinction —that cannot be sustained.

But there is a growing realisation that these largely unintended consequences of our species' success cannot be left unchecked, for the very simple reason that they will ultimately impact severely on our ability to prosper.

Action is needed, and it falls to business, along with society at large and the political establishment, to drive this change.

And change is already afoot. A growing number of businesses, both big and small, new economy and old, are embracing the sustainable agenda.

If nothing else, the economic cost of inaction is simply too great. Indeed, a recent study backed by the United Nations put the cost to the global economy of the damage done to the natural world by humans at between $2tn-$4.5tn (Sh200tn to Sh450tn) a year.

> For a long time companies separated out sustainability issues from their core activity
>
> POLLY COURTICE, CAMBRIDGE UNIVERSITY

And these costs will increasingly fall to companies, and of course their customers, as they are forced to pay to protect or replace the natural resources upon which their business depends.

As Polly Courtice, director of Cambridge University's Institute for Sustainability Leadership, says: "For a long time companies separated out sustainability issues from their core [activity], but they are now realising [these issues] are central to their ability to function as a growing business".

Trailblazers such as consumer goods giant Unilever and retailer Kingfisher were driven by visionary bosses, in this case Paul Polman and Ian Cheshire, who believed embracing sustainability was not just the right thing to do but was in the best long-term interests of the company.

Reducing costs is an obvious start,



Personnel from the Philippine Department of Environment and Natural Resources randomly check carbon emissions from commuter vehicles in suburban Manila . AFP

such as implementing energy efficiencies. Many have gone a step further, with established giants such BMW, Coca-Cola, Goldman Sachs, Google, H&M, Ikea, Nike and Walmart among many others that have committed to 100 per cent renewable energy.

Equally, relying on finite and dwindling resources that will inevitably become more expensive is no recipe for long-term success. Identifying these risks in the supply chain early is key to securing the long-term sustainability of the business itself.

Some companies, such as sportswear group Puma and its owner Kering, are pioneering so-called environmental profit and loss accounting, where the business's environmental impact is costed precisely throughout its entire supply chain. Increasing regulation is also forcing change, as governments use instruments such as pollution taxes and a meaningful carbon price, which is inevitable given the need to cut emissions from fossil fuels, to help achieve ambitious climate-change targets.

But it's not just about avoiding business risks, it's about embracing opportunity — the benefits of enhancing brand reputation in a world where consumers are becoming increasingly environmentally aware may be harder to quantify, but are no less rewarding long term.

In this way, more and more companies are finding that sustainability can be a key driver of revenue growth.

Indeed, many are engaging increasingly with both the sharing economy, where swapping, renting and sharing replace ownership of goods and services, and the so-called circular economy, where one company's waste is another's resource and where products are designed to be repurposed once their natural life comes to an end.

Risk of inaction

The financial community is also waking up to the sustainable agenda, with an increasing number of fund managers and pension funds engaging with companies to highlight the risks of inaction.

The stranded assets campaign, which identifies the dangers of overvaluing fossil fuel reserves that will have to stay in the ground if dangerous climate change is to be avoided, has been particularly successful, with more than 500 global institutions so far divesting almost $3.5tn from energy companies around the world.

There remain, however, significant obstacles to change.

"Most companies are still focused on the relatively short term, on the next quarter's numbers," says David Symons, director of consultancy WSP Parsons Brinckerhoff.

As long as company boards focus on short-term profit and shareholder returns, the longer-term demands of a more sustainable business will suffer.

Key priority

And despite widespread change in public attitudes, consumer inertia remains an issue, as value understandably remains a key priority in times of economic stress. This is why, argues Ms Courtice, the burden of driving change falls largely on the corporate sector.

"Companies have to lead... they can make decisions quickly that the political system can't," she says.

The long-term health of their businesses, and the health of the planet that ultimately sustains us all, depends upon it.

Uganda's radiotherapy machine for cancer treatment breaks down

Uganda's only radiotherapy machine used for treating cancer is broken beyond repair, the country's main cancer unit says.

This leaves thousands unable to get potentially life-saving treatment.

The cancer unit at Mulago Hospital in the capital, Kampala, is now looking for $1.8m (Sh180 million) to buy a new machine.

It gets 44,000 new referrals a year from Uganda, as well as from neighbouring countries including Rwanda, Burundi and South Sudan.

Around 75 per cent of these may require radiotherapy, the unit's spokesperson Christine Namulindwa told the BBC on the phone from Kampala.

Many types

"It's really, really a hard time," she added, "[and] it's having an impact on our patients, as the treatment is often required." Radiotherapy uses radiation to target and kill cancerous cells in a specific part of the body, and can be used for many types of cancer.



A radiotherapy unit at Kenyatta National Hospital in Kenya. FILE

Healthy cells can recover from this damage, while cancer cells cannot.

The machine at Mulago Hospital was second hand when it was donated in 1995 and has been repaired several times in the past.

Purchase talks

But efforts to fix it this time have failed, Ms Namulindwa said.

The cancer unit is currently talking to the ministry of health to find a way to buy a new machine, but it is not clear when that will happen.

In the meantime, patients are still able to get other treatments, such as chemotherapy and surgery, but if they need radiotherapy, and they can afford it, they will have to travel to neighbouring Kenya.

The incidents of cancer is are the rise in Africa overall as life expectancy increases.

-BBC

TOP NEWS

Chase Bank goes down with UN workers' Sh850m Sacco savings

BY HERBLING DAVID

The financial shock waves that hit depositors in the wake of Thursday's sudden closure of Chase Bank continued to reverberate at the weekend, landing on the hallowed grounds of the United Nations office in Nairobi where it swept up to Sh850 million in Sacco savings of the international civil servants.

The United Nations Savings and Credit Co-operative (UNSACCO) told its members in a circular that it had Sh850 million in the troubled bank at the time of its closure on Thursday last week.

"We wish to inform honourable members that at that time of closure, the UN Sacco had short-term fixed deposit investments in Chase Bank totalling Sh850 million," reads the leaked internal memo to members dated April 8, 2016.

The credit union – which draws membership from staff working at UN agencies and diplomatic missions – had three short-term fixed deposits at Chase Bank which, until its collapse, was offering handsome returns on depositor funds.

Sacco Societies Regulatory Authority (Sasra) said a few deposit-taking credit unions were holding money or had credit lines at Chase Bank, putting Sacco members in the list of big losers with the lender's collapse.

UN Sacco says in the circular to members that it tried recalling the funds at the height of panic withdrawals on Wednesday, but did not succeed making it one of the big losers on Thursday morning when the Central Bank of Kenya put the lender in receivership.

> The board has suspended all fixed deposit investments with other commercial banks until the market stabilises
>
> UN SACCO CIRCULAR TO MEMBERS

"Despite all our efforts to have the funds returned, by close of business Chase Bank had not remitted our money back, and the next day it was placed under receivership," the Sacco officials told members in the internal memo.

UN Sacco is ranked Kenya's sixth largest deposit-taking credit union with 4,731 savers of different nationalities, meaning the aftershocks of Chase Bank's closure are likely to be felt across the globe.

The revelation came after Sasra chief executive John Mwaka said Chase Bank's sudden collapse posed no systemic risk to credit unions.



Account holders at Chase Bank's Mombasa branch after the bank was placed under receivership on Thursday. LABAN WALLOGA.

"The number is not big. We're engaging the CBK to see how Sacco cash can be insulated," said Mr Mwaka, adding that the giant Stima Sacco also had a credit line at Chase Bank but it was not immediately clear if it was fully drawn.

The fate of Sacco deposits now lies with the CBK and the Kenya Deposit Insurance Corporation (KDIC), who are yet to announce a road map for reopening Chase Bank or payment of depositors and investors in the Sh4.8 billion bond that the bank issued last year.

But in a rare insight into how a widespread depositor panic could harm small banks and cause a contagion across the country's financial services sector, the UN Sacco said it had recalled all the Sh1.67 billion it had in fixed deposit accounts with all other banks for safe keeping at KCB.

"The board has suspended all fixed deposit investments with other commercial banks until the market stabilises," UN Sacco said in the circular to members.

UN Sacco has three principal bankers namely Co-operative Bank, Citibank and KCB.

Apart from the Sh250 million that was due to mature on April 8, the UN Sacco also had Sh350 million and Sh250 million two-month fixed deposit accounts at Chase Bank that were to mature on April 24 and May 17 respectively.

UN Sacco fixed-deposits at Chase Bank

Amount	Date Invested	Maturity Date
Sh250m	9-Mar-16	8-Apr-16
Sh350m	24-Feb-16	24-Apr-16
Sh250m	18-Mar-16	17-May-16
Total amount	Sh850m	

SOURCE: UN SACCO

The CBK moved into Chase Bank a day after the lender sent its chairman, Zafrullah Khan, and group managing director Duncan Kabui packing in the wake of revelations of massive irregular insider lending that precipitated a run on the bank.

"Chase Bank experienced liquidity difficulties. Consequently, it was not able to meet its financial obligations on April 6, 2016," said CBK governor Patrick Njoroge.

Chase Bank had Sh94.27 billion in customer deposits and a loan book of Sh103.3 billion as at December 2015. The UN Sacco had Sh8.8 billion assets in the year ended December 2014, according to data from Sasra. The Sacco's net surplus grew nearly five-fold to Sh378 million from Sh79.2 million in 2013 – an outcome it attributed to growth in loan book and non-funded income.

The Sacco also owns 888,880 shares in CIC Insurance, meaning the credit union will earn Sh933,324 in dividends with the underwriter having declared a payout of Sh0.105 per share for the period ended December 2015. Staff working in UN agencies and diplomatic missions borrowed Sh7.1 billion in 2014, giving the Sacco a bigger loan book than nearly a dozen tier-three banks, including UBA Kenya, Habib Bank AG Zurich, Middle East Bank and Transnational Bank.

Accounting firm Deloitte last week issued a surprise qualified opinion of Chase Bank's financials – meaning that there were gaps in the statements – about a week after the lender had published full-year results without an audit opinion.

Coincidentally, Deloitte has been the external auditor of UN Sacco where it raked in Sh3.07 million in audit fees in 2014 up from Sh2.05 million the previous year.

Chase Bank irregularly advanced Sh16.6 billion to various entities, many of them associated with insiders, without proper security, forcing Deloitte to issue a qualified opinion.

Dr Njoroge said Sh7.9 billion was irregularly lent to an unnamed Chase Bank director, adding that there were doubts as to whether an additional Sh8.7 billion can be recovered given that large segments of it were not being serviced or lacked documentation.

Chase Bank made an unprecedented loss of Sh742 million in 2015 from a profit of Sh2.3 billion in 2014 attributed to a three-fold jump in loan loss provisions to Sh2.17 billion due to mounting toxic loans.

Chase Bank was ranked 12th in size with 55,000 deposit accounts and 23,000 loan accounts, giving the SME-focused lender a cumulative market share of 2.98 per cent; according to data from CBK. Kenya now has 40 operational banks, given that Chase Bank, Imperial Bank, Dubai Bank Ltd, and Charterhouse Bank Ltd are all under receivership.

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Ndegwa family sued over sale of ICEA tower to university

»From Page 1

real estate firm in which the Ndegwa family has a significant stake.

Livingstone Gitonga, a partner at the real estate firm, says his agency was the one that drew JKUAT's interest in the building after he personally received instructions to do so from Mr Ndegwa, the ICEA Lion chairman. Mr Gitonga adds that his firm has sold several other buildings in Nairobi on behalf of the Ndegwa family, including AMBank House on Monrovia Street, Unga Gate in Westlands and a building owned by Mitchell Cotts in Baba Dogo.

"I have known one James Ndegwa for over 10 years as the chairman of ICEA Lion and also through a family holdings company called First Chartered Securities Limited. He has over time verbally instructed us to sell various properties and where we successfully solicited for and procured a buyer we have always been paid the commission payable," Mr Gitonga says.

The real estate dealer says his company had written to JKAUT on September 11, 2012 and followed up with several meetings after they expressed interest in purchasing the property.

"Once we made a claim for our commission, ICEA Lion turned around and stated that it was Knight Frank that had found the buyer and that we were not involved at all in the above sale," he adds.

James Ndegwa is the son of former Central Bank of Kenya governor Philip Ndegwa, whose family has vast interests in a number of sectors of the Kenyan economy. Mr Ndegwa is also the chairman of NIC Bank where his family owns a 24.9 per cent stake (valued at over Sh7 billion).

ICEA Lion is yet to respond to the suit.

Mr Gitonga's partners, Duncan Mwangi Gichungi and Samuel Njagah Mungai, have also been listed as plaintiffs in the suit.

Livingstone Real Estate has listed JKUAT's estates manager Hellen Karu as one of its witnesses. Ms Karu, the real estate agent, wrote a report on the building following a tour that covered every floor and lettable space at the ICEA building.

The ICEA building stands on 0.674 acres of land along Kenyatta Avenue and has a gross lettable area of 163,724 square feet and 113 car park bays. ICEA Lion is ranked as the third largest life insurer in Kenya, behind Britam and Jubilee.



Mr James Ndegwa. FILE

At full occupancy, ICEA building has the potential of generating Sh129 million in annual rent at current rates.

The list of its current tenants includes electronics giant Samsung, the National Bank of Kenya, Computer Pride Ltd, the Standard Media Group and Acacia Medical Centre Ltd.

The Ndegwa family also had interests in catering firm NAS, in which a French multinational, Servair, acquired a majority stake in 2011 in a deal worth more than Sh2.2 billion -- buying out the Ndegwas and other local shareholders.

Victus Ltd, a company associated with the family, owns 38.5 million shares or 50.93 per cent in Unga Limited and has vast interests in real estate sector. The family also owns the prestigious Riverside Park in Lavington that is managed by Knight Frank. Livingstone Real Estate has also asked the court to award it general damages for ICEA Lion's refusal to pay the commission, alongside the costs it will incur in the duration of the legal battle.

The firm says Mr Ndegwa first instructed it to find a buyer for the ICEA building in 2009, but later opted to remove it from the market. It says Mr Ndegwa in 2012 again asked Livingstone to trace a buyer for the iconic building. Mr Gitonga says in court documents that several other institutions his firm wrote to in 2012 had shown interest in purchasing the prime building. The real estate agent is convinced that it was after his firm took JKUAT's officials on a tour of the tower that the university decided to buy the ICEA building.

"We met KRA Pension Fund officials and representatives of the Jamia Mosque Development Committee together with the ICEA Lion CEO Julius Mutiga. The Laptrust Fund, which was at some point interested in purchasing the property, asked us for a formal confirmation from the owner of the property that we were duly authorised to sell the property," he adds.

The documents filed before the Milimani Commercial Court indicate that Livingstone also approached the University of Nairobi and Moi University in a bid to woo them into purchasing the building. In May last year, Mr Ndegwa said he would not resign as chairman of listed NIC Bank to avert conflict of interest as demanded by critics following his appointment to the Nairobi bourse top seat. He instead opted not to participate on any deliberations on any company he has interests in.

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ECONOMY & POLITICS

PRICES I RESULTS I DATA

Treasury freezes Uhuru, Ruto pay rise in austerity drive

ECONOMY Move is part of government's drive to free up cash for development and essential services

BY NEVILLE OTUKI

President Uhuru Kenyatta's pay rise and that of his deputy, William Ruto, have been frozen for the next two years amid a government push to curb the ballooning Civil Service wage bill.

Treasury documents show that the combined annual pay — basic salary and allowances — of Mr Kenyatta and Mr Ruto will remain unchanged at Sh51.2 million in the two years to June 2018.

The two top public executives got a 9.1 per cent pay rise last year despite the duo's announcement in 2014 that they had taken a 20 per cent pay cut to contain the bloated wage bill. Attorney- General Githu Muigai's pay and perks have also been frozen at Sh32.1 million or Sh2.67 million monthly over the two years.

> There is need for deeper cuts instead of just pay rise freeze, which leaves us in the same spot
>
> KWAME OWINO, CEO OF THE INSTITUTE OF ECONOMIC AFFAIRS

The freeze comes as the Treasury implements an austerity plan to free up cash for development and essential services such as security, health and education. The government has been grappling with missed tax collection and borrowing targets triggering a cash crunch that recently forced the Treasury to review its budget.

The Treasury slashed the development expenditure by Sh49.1 billion while expanding the recurrent budget by Sh8.1 billion in a supplementary budget. The cut in the country's spending plan follows Kenya Revenue Authority's falling behind tax collection targets by Sh47.6 billion as at the end of December.



President Uhuru Kenyatta. FILE



Deputy President William Ruto. FILE

Mr Kenyatta is entitled to a salary range of between Sh1.23 million and Sh1.65 million monthly, meaning his maximum annual pay is Sh19.8 million, according to the Salaries and Remuneration Commission (SRC). Mr Ruto is entitled to a monthly pay of between Sh1.05 million and Sh1.4 million — effectively capping his annual pay at Sh16.8 million.

Treasury documents show that the two executives also enjoy a combined allowances package of Sh14.6 million a year which will also be retained for the next two years. Kenya has been running a large public wage bill which stood at Sh568 billion in the 12 months to June 2015 or 52 per cent of total revenues, squeezing development spending that is the driver of economic growth. "There is need for deeper cuts instead of just pay rise freeze which leaves us in the same spot," said Kwame Owino, CEO of the Institute of Economic Affairs.

At 52 per cent, Kenya's public wage bill is 17 per cent above the global average of 35 per cent for middle-income countries and has been a point of concern for the Jubilee government.

A March 2014 directive by Mr Kenyatta for senior officials to take a 20 per cent voluntary pay cut has been largely ignored two years on.

Treasury secretary Henry Rotich recently said the Transformative Fund Account opened 18 months ago at the Central Bank of Kenya to hold proceeds from voluntary pay cuts had netted only Sh35.2 million.

Mr Rotich has since come up with a new plan to freeze the super earners' allowances and eventually make them part of the basic salary to curb their use in pay inflation.

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Moi-era PS pockets Sh430m in railway land compensation

TRANSPORT Kenya Railways has been paying for property amid claims of flawed payments

BY GEORGE OMONDI

A former permanent secretary in the Moi administration is among the top beneficiaries of the Sh30 billion set aside to compensate landowners in the ongoing standard gauge railway (SGR) construction.

Leaked data shows that Charles Mbidyo, who served as Finance Permanent Secretary between 1986 and 1991, has pocketed Sh430.2 million in compensation for part of his land acquired by the government to build the SGR —making it the single largest individual payout.

The amount, which translates to Sh3.8 million for every acre of the 112.8-acre piece of land acquired by the government for the first phase of SGR, is so far the single largest payment to an individual.

The National Land Commission (NLC) has indicated that over 4,600 hectares will be acquired for the new 609km Mombasa-Nairobi railway.

The commission delegated payment of land billions to Kenya Railways amid claims of flawed compensation. The agency's leaked internal audit report has revealed massive irregularities in compensation of both individuals and companies. Rai Plywoods, a timber milling firm which also enjoyed Moi era political connection, is also set to earn Sh250 million for its property acquired for the first phase of SGR. The money covers payment for its 4.65-acre piece of land together with a stone wall built around it.

Dopp Ltd, a company formed in 1981 by Harishbhai Patel and Harshil Patel without details like trading address and PIN, is set to receive Sh667.9 million in the ongoing compensation.

The Kenya Railways however says the payment of Dopp's 32.98 acres will only be released once NLC has confirmed its ownership.

> Parliament's Public Investment Committee has demanded for a fresh audit of the compensation of land owners

Another private firm in Mombasa, Chunky Ltd, formed in 2011 by Vikram Chhotalal Kanji and Mohamed Sadiq Varvani has been cleared to receive Sh327.2 million for its 16.78 acres of land.

Laxmanbhai Construction Limited, formed on October 19, 1979 by a group of British nationals, is set to receive 273.7 million for its 5.29 acres and a stone wall built around it. Wallstreet Business Park, a private firm registered on November 15, 2012, by a eight Kenyans of Asian origin has been cleared to receive Sh1.17 billion for its 3.59 acres and 14 godowns in Nairobi.

Parliament's Public Investment Committee has since demanded for a fresh audit of the compensation of land owners after peasant farmers complained of low rates even as wealthy firms and individuals earn premium on their land.

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New KICC boss



Nairobi Ms Nana Gecaga, the newly appointed acting managing director of the Kenyatta International Convention Centre (KICC), during a press conference on the state of the Kenyan banking industry addressed by the Treasury, the Central Bank of Kenya and commercial bank executives last Friday. DIANA NGILA

Costs stabilise on rise in use of thermal power

BY NEVILLE OTUKI

Power bills will remain unchanged in April as the monthly adjustment charges stagnate for three months in a row on increased use of thermal power.

Official data indicates that fuel adjustment levy, which is linked to the amount of power generated from expensive diesel and supplied to the national grid, has remained at Sh2.31 for every unit (kilowatt hour) of electricity consumed this month.

Forex levy, which is passed on to consumers to meet expenses incurred in hard currency by utility firms, has also stagnated at Sh1 per unit since January, according to the Energy Regulatory Commission (ERC).

The share of hydropower, which is the country's cheapest source, grew to 39.5 per cent last month from 37.2 per cent in February while expensive thermal electricity's rose to 13.5 per cent from 12.3 per cent.

Thermal power, priced at Sh18 per unit, is six times more expensive than hydropower whose cost is about Sh3.

The share of geothermal energy, the second cheapest source at Sh7 per unit, dropped to 45.3 per cent from 49.2 per cent a month earlier.

This drop prompted electricity distributor Kenya Power to purchase more thermal electricity to supply to consumers.

The energy regulator every month receives power consumption data from electricity distributor Kenya Power to review the fuel cost levy and forex charge. The ERC uses data from the previous month to calculate the monthly variables.

The ERC data shows that homes and businesses consumed 383 million units of geothermal electricity in March, down from 391 million a month earlier while hydro power consumption grew to 334 million units from 296 million.

Kenya to get Sh6bn Chinese loan amid concern over heavy debt

BY BD REPORTER

Kenya will receive a Sh60 billion ($600 million) loan from China to help fund a 2015/16 budget deficit amid concerns over increased uptake of debt from the Asian economic giant.

Kenya has ramped up spending in recent years to build a modern railway, new roads and electricity plants, driving up the budget deficit and unnerving investors.

"We are in the process now of finalising the financing agreement. We expect very shortly the funds will be coming in," Kamau Thuge (right), the Principal Secretary at the Treasury told Reuters. Kenya has traditionally relied on Chinese loans for infrastructure projects and the World Bank recently warned that the country's growing appetite for Chinese loans risks hurting the economy on huge debt repayment burden.

Treasury documents show that Kenya will pay Sh4.6 billion as interest and Sh2.34 billion as principal to the Chinese government and firms in the current financial, and debt burden will grow to Sh16.1 billion in 2018.

Kenya is targeting a budget deficit of 6.9 percent of GDP in the 2016/17 fiscal year (July-June), from a revised 8.1 percent this year, the ministry of finance said in February. The deficit for this fiscal year is expected to decline to Sh522.3 billion shillings from Sh569.2 billion that was set in a June budget, the Treasury said in the draft budget policy statement released in February. The narrower deficit was be arrived at through a reduction in expenditure and borrowing, the ministry said in the draft. Kenya is building a modern railway from the main port of Mombasa to the capital Nairobi and officials blame the investment for the higher budget deficit.



DEBT BURDEN
■ Kenya's debt burden will grow to Sh16.1 billion in 2018.

Foreign lender

China has in recent years emerged as Kenya's leading foreign lender, raising concerns over sustainability of the piling stock of debt.

World Bank says China's loans to Kenya have been growing by 54 per cent a year between 2010 and 2014 with some of the credit having high interest rates.

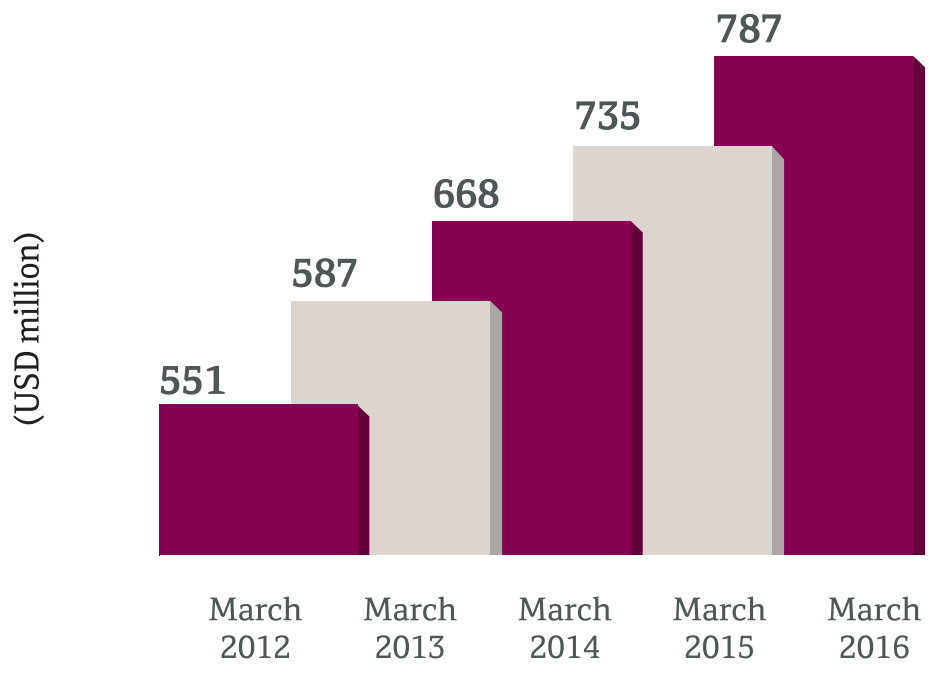
In contrast, Kenya's loans from its traditional foreign markets of Japan and France stagnated or declined. Kenya's loan repayment to France will be Sh6.8 billion in 2018 while that of Japan at Sh5.4 billion, dwarfing the Sh16.1 billion Kenya will pay Beijing.

The main borrowing is linked to the standard gauge railway (SGR) where Kenya is using Chinese loan to build a new Mombasa and Nairobi line at a cost of Sh433 billion including financing costs

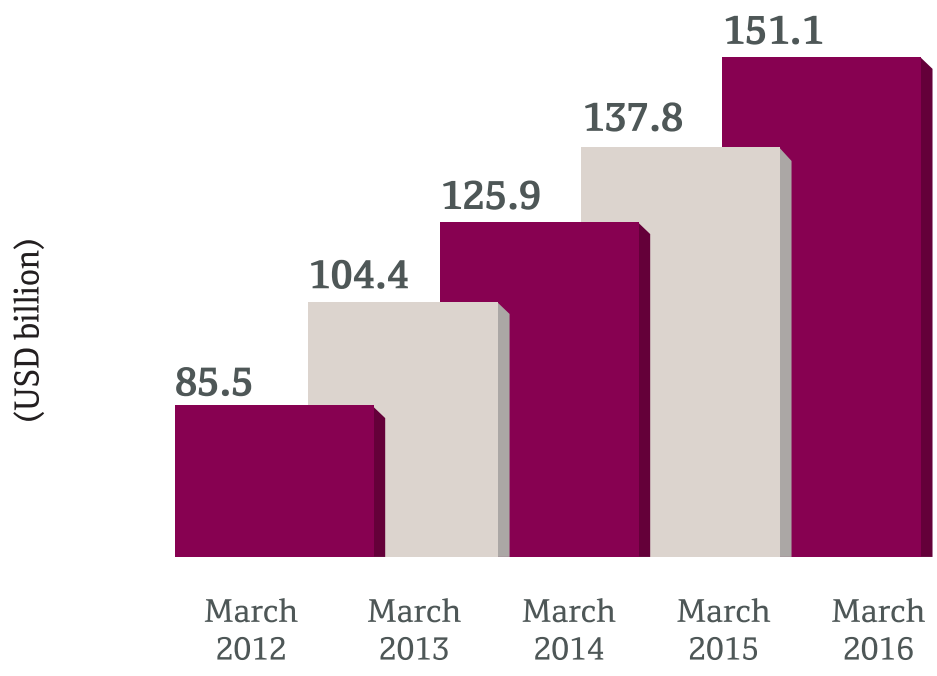
"Kenya still has a heavy debt burden and China's loans can bring debt to unsustainable levels.

"Some of China's loans are non-concessional, which can raise debt-to-gross domestic product (GDP) levels quickly," World Bank lead economist for Kenya Apurva Sanghi and his counterpart Dylan Johnson said.

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Centum sets aside Sh390m to buy majority stake in Longhorn

INVESTMENT Company targets to raise ownership of the publisher above 51pc

BY VICTOR JUMA

Centum Investment has set aside over Sh390 million as it prepares to take a majority stake in Longhorn Publishers during its upcoming Sh530 million rights issue.

The investment firm currently holds a 31.25 per cent stake in Longhorn, having sold some 2.1 million shares in 2014 in a transaction that reduced its equity from 34.9 per cent when the publisher listed in March 2012.

Centum now wants not only to defend its stake in the company but also to raise its ownership beyond 51 per cent, a move that would see it overtake founder shareholder Francis Nyammo whose equity stands at 34.89 per cent.

"Centum has declared ... they intend to take up their rights and take up at least 50 per cent of total available rights," Longhorn said in a statement.

"This might take their shareholding to above 51 per cent, but the shareholder has categorically stated they have no intention to take over the company."



Centum chief executive James Mworia. FILE

The investment firm is entitled to buy 39.4 million shares in the rights issue at the offer price of Sh4.2 per share, placing its minimum participation at Sh165.6 million.

Raising its stake to 51 per cent in the publisher would require buying an additional 53.8 million shares, raising its total investment to Sh391.6 million.

Centum says it is ready to take up an unlimited number of shares from investors who will not participate in the cash call, indicating that its ownership could rise above the 51 per cent level.

> We are prepared to take up any shares left. There is no limit
>
> JAMES MWORIA, CENTUM'S CHIEF EXECUTIVE

"We are supportive of the company," James Mworia, Centum's chief executive told *Business Daily* in an interview.

"We are prepared to take up any shares left. There is no limit," he said, adding that Centum is confident about Longhorn's future prospects. Longhorn said Centum has committed not to take over the company, meaning it will not make an offer to buy out minority shareholders after raising its stake.

"In the event a shareholder may trigger a takeover by taking additional rights, the shareholder shall request for exemption from initiating a takeover to the Capital Markets Authority," Longhorn said.

The offer price of Sh4.2 per share represents a 16 per cent discount on Longhorn's closing price of Sh5 on Friday.

The publisher's stock touched all-times lows of Sh3.7 last year after cutting its dividend payout amid weaker results for the full year ended June 2015.

Longhorn says it will prioritise debt payment and boosting working capital in using proceeds from the rights issue.

The publisher owes Sh100 million to Nabo Capital, a subsidiary of Centum which deals in asset management for institutions and high-net-worth clients.

Longhorn has also earmarked Sh100 million for working capital and Sh50 million for creation of digital learning materials.

Other strategic initiatives include product diversification (Sh100 million), geographical diversification (Sh80 million) and acquisitions (Sh70 million). The company has announced plans to launch new products including story books and college textbooks. It also intends to develop proprietary e-learning platforms as part of its drive towards digital educational content.

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Rafiki caps withdrawals at Sh10,000 as depositors panic

BY NEVILLE OTUKI

Rafiki Microfinance Bank has capped daily cash withdrawals at Sh10,000 as panicked customers sought their deposits following the placement of its parent company Chase Bank under receivership last Thursday.

The micro-lender continued to operate even as its parent firm collapsed due to failure to meet its financial obligations.

The receivership, the third in nine months, has triggered a panic among Rafiki accountholders who have reacted on the association between the two firms. The Central Bank of Kenya (CBK), however, said Rafiki is operated and regulated separately and the action on Chase Bank does not affect the subsidiary.

"We are currently limiting withdrawals to Sh10,000 so as to allow our customers access to funds and adhere to the bank's daily transaction limits," Rafiki said on Friday in response to our queries.

The microfinance bank's customers started queuing for their cash from Thursday morning when news of Chase Bank's collapse spread.

Rafiki said that the limit would, however, be reviewed upwards as withdrawals reduce.

CBK on Thursday placed Chase Bank under receivership after it was established that the lender irregularly advanced Sh16.6 billion to various entities, many of them associated with insiders.

This has put billions of shillings belonging to its 55,000 depositors at risk. Chase Bank becomes the latest institution to go into receivership after Imperial Bank's closure last October and Dubai Bank's July shutdown.



A Chase Bank branch in Nairobi. The collapsed bank is Rafiki's parent company. SALATON NJAU

CBK Governor Patrick Njoroge said the last straw that broke the camel's back came in the form of a major cash crunch on Wednesday that rendered the bank incapable of meeting its obligations such as cheques or withdrawals that were due.

The CBK said, for instance, that one director lent himself a total of Sh7.9 billion, mostly without registered collateral and beyond the set regulatory limits.

The director lent himself more than the 25 per cent of the total capital limit set in the Banking Act. The actions of the director –whom the auditors called a significant shareholder– has now made it uncertain as to whether the more than Sh95 billion deposits will be refundable to their owners who are mostly small and medium-sized enterprises (SMEs).

Sameer mulls tyre factory closure as cheap imports hit market

BY DAVID HERBLING

Sameer Africa is mulling the closure of its Nairobi tyre factory due to increased competition from cheaper car tyres from Asian markets, which has seen the firm record its second consecutive loss.

The tyre maker, owned 72.15 per cent by businessman Naushad Merali, said the planned shutdown of the Mombasa Road plant was because government has made no efforts to curb the dumping of cheaper and low quality tyres in the Kenyan market.

Sameer Africa made a loss of Sh15.6 million in the year ended December 2015, narrowing losses of Sh66.9 million posted a year earlier.

Tyre sales dipped by a tenth to Sh3.3 billion in what the company blamed on competition from an influx of cheaper tyres imported from markets such as China. "In 2016, the efficacy and viability of local manufacturing will be a key agenda for the board of directors," Sameer said in a statement.

"The group will therefore explore alternative manufacturing and sourcing options globally."

The company said Kenya and other African markets are yet to implement initiatives such as countervailing and anti-dumping duties to counter influx of subsidised tyres and other products from the East.

Sameer has also blamed its woes on rampant under-invoicing by tyre importers across the region which makes the playing field uneven for local tyre manufacturers.



Competition

■ **The tyre maker, owned 72.15 per cent by businessman Naushad Merali, said it may shut down Mombasa Road plant.**

The high cost of power and a reduction in EAC Common External Tariff (CET) for truck and bus tyres to 10 per cent from 35 per cent –hence encouraging imports and exposing local manufactures– are also other headaches facing the listed firm.

The possible closure of Sameer's plant, which has been in operation for decades, could add to a long list of manufacturers who have left the Kenyan market citing a harsh operating environment.

Eveready East Africa, where Mr Merali is also a significant shareholder, closed its Nakuru-based battery factory in September 2014 in what the company attributed to increased competition from cheap dry cells imports.A month later, chocolate maker Cadbury closed down its manufacturing plant in Nairobi to "focus its resources on scale manufacturing facilities where it can generate greater efficiencies, to reinvest in growth".

Other manufacturers that have closed production lines in Kenya include Reckitt Benckiser and Colgate Palmolive.

Sameer exports to regional markets such as South Sudan, Tanzania, Uganda and Burundi.

The tyre manufacturer last year announced a partnership with a Chinese company to produce and sell the Summit brand which targets the low-end market.

Yana is Sameer Africa's flagship brand. Sameer has also been in negotiations with an unnamed investor, who is expected to pump in over Sh1 billion.

IDEAS & DEBATE

OPINIONS I REVIEWS I ANALYSIS

Nobody blameless in banking crisis at regulator, board level

LOOPHOLES Audit teams' oversight capacity seriously wanting and there seems to be a lack of knowledge on how systems can be manipulated



NIT PICKER

CAROL MUSYOKA

The Kenyan banking sector is in turmoil, with vicious rumours swirling about the health of many banks and discerning where the truth is sandwiched between various shades of grey is remarkably difficult. It would be remiss to discuss a few banks without looking at the whole industry to begin with, and the macroeconomic environment that they are operating in that has led to the current state of dire illness in some banks.

Mariana is a businesswoman. Since 2011, she has been running a small security guarding company, providing guards to small businesses. In 2014, she was encouraged to grow her business using the preferential supplier incentives that the government was providing for women and youth. She bid and successfully won a tender to supply guarding services for a government ministry that had multiple installations that required security. All of a sudden she had to recruit 200 new guards and purchase uniforms and boots for them.

She approached her bank and showed them the government contract against which they provided an overdraft facility for her, using her retired parent's house as security. In the beginning, the cash was good, Mariana was paid on time and she was able to pay salaries and slowly start reducing the overdraft. But in 2015, her invoices to the Ministry started taking three to four months to be paid, and she increasingly turned to the ballooning overdraft facility to pay her guards' monthly salaries. Within three months she had reached her limit on the facility and the bank was reluctant to increase it. She was desperately in trouble: hundreds of salaries to pay, an overdraft facility to reduce and her parents' house in jeopardy.

Mariana is not alone. This story is replicated hundreds of times at both national and county government level. Small business owners who have provided goods and services to national and county governments but experienced the sharp cash crunch that occurred in 2014 and 2015 which meant that their payments were significantly delayed.

Some of these businesses had been responsible, cash was received and ploughed back into the business's working capital cycle to pay for the goods and purchase more. Some of these businesses were irresponsible, and buoyed by the huge payments in their accounts for the first time in their lives, diverted some cash into non income generating assets like cars and land.

Whatever the case, many businesses had used commercial bank loans to fund the sudden expansion caused by a large buyer of their goods and services. The slowdown in government spending has hit these businesses hard, and invariably impacted their ability to repay their loans. This is very apparent in the growth of the non-performing loan book amongst the banks as well as the reduced profitability of most of the banks judging from the 2015 end year financials.

Now let's take a step back and look at the role of the regulator. That the government had slowed down its spending has not been a secret. The role of a banking regulator is to constantly monitor the financial and operational health of the banks under its watch. Basic economics: a slow down in money supply will cause the economy to contract and for businesses to start exhibiting financial stress.

A basic prudent requirement therefore is for a central bank to require their licensees to undertake stress testing of their loan books for a number of reasons, key of which is to determine if the banks are making adequate provisions for the deteriorating loans as well as to establish how much of their loan book is exposed to the key economic metric that is causing the stress, in this case reduced government spending.



Depositors outside the Chase Bank branch in Nakuru after the Central Bank of Kenya put the bank under receivership last week. SULEIMAN MBATIAH

In so doing, the regulator quickly establishes exactly what percentage of the banking industry's assets are likely to be of a diminishing quality, what impact that will have on the respective banks' balance sheets and whether discussions regarding additional capital injection need to be had with bank managements.

> **Some clever institutions know how to manipulate the bank system so as not to reflect poor servicing of bad loans at month end**

Do we have rogue banks? The recent events point to the fact that we do. The existential crisis that is emerging is that the regulator's banking supervision unit is not on top of its oversight game. But it's not only the regulator on the spot here. The audit committees of some of these banks have clearly not been holding their internal auditors to account.

The internal auditors, who, together with the credit risk teams, are supposed to be regularly reviewing the credit quality of their loan books and have a duty to raise the flag on non-performing loans, or insider loans that do not have the appropriate documentation and requisite securities against which banks have recourse in the event of default. Some clever institutions know exactly how to manipulate the bank system so as not to reflect the poor servicing of bad loans at month end. They also know how to suppress non-performing loans by keeping them as overdrafts whose deteriorating quality is difficult to discern, as there are no monthly amortization repayments that would indicate non-serviceability. Section 769 of the new Companies Act 2015 requires shareholders of quoted companies to appoint members of the audit committee.

The mischief that this is supposed to cure is to ensure that the shareholders take ownership of who is providing appropriate governance over the books of the company. Shareholders must ensure that the audit committee members are not only financially literate individuals, but, in the case of quoted banks, at least one should have some commercial banking operational experience and therefore know how to identify where dead bodies are being buried.

The Central Bank prudential guidelines require bank audit committees to be chaired by independent non-executive directors. What is becoming crystal clear is that the oversight capacity of these audit committees is seriously wanting as there seems to be a lack of knowledge on how internal systems can be manipulated to hide bad loans.

Nobody is blameless in this crisis at both regulator and board director level.

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Other Voices

Francoise Hollande
French President



Guardian, Editorial
Last week, the French national assembly finally ended two years of wrangling and became the fifth European legislature to introduce a ban on buying sex. It is following the example set by Sweden, Norway and Iceland. Many sex workers don't want their clients criminalised. In France, backed by a commission of the senate, they vehemently protested that it would make their work more, rather than less, dangerous: it would reduce the number of punters.

David Cameron
UK Prime Minister



Telegraph, John Mcternan
In politics, you only get one chance to make a full and frank disclosure. The case of David Cameron and his father's company Blairmore, with its offshore holdings, has been a textbook example of how not to do it. In the course of five days and four statements the Prime Minister's position has gone from the stonewalling ("it's a private matter") to an admission that Cameron had held shares in Blairmore but sold them shortly before becoming Prime Minister.

Robert Mugabe
Zimbabwe President



Reuters, MacDonald Dzirutwe
Robert Mugabe told a meeting of about 10,000 veterans of Zimbabwe's 1970s independence war that his frequent trips to Malaysia and Singapore had fed newspaper reports that he was ill and sometimes dying, stoking succession fights in ZANU-PF.
"You then see a stampede now, they will be saying the president is dying. 'I am not dying, shame on you'," Mugabe said.
Despite clinging to power for decades, he said he at the mercy of the people. If the people say no, go, he goes. But if the people say no, we still want you, he stays on.

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Move to sponsor students in private varsities noble

With the number of students being admitted to public universities growing each year, the available facilities are not adequate hence locking out scores from pursing higher education.

It therefore came as welcome news to many Kenyans when the Education ministry announced last week that State-sponsored students would be admitted to private universities from September.

We support the move as it will ensure that more students are able to study in our institutions of higher learning,

Out of the 165,766 Kenya Certificate of Secondary Education (KCSE) students who attained the minimum university entry grade of C+ last year, only 74,389 students will join public universities in September.

While this is an increase from the 67,790 admitted last year, the shortage of learning and accommodation facilities has put a damper on many dreams of furthering education.

The congestion currently prevailing in our public universities has drastically affected the quality of education being offered as the institutions struggle to cope with huge student numbers, lack of accommodation facilities and shortage of staff.

With the new plan, students who elect to join the private universities will now receive government sponsorship depending on the courses they intend to pursue.

The move is a major win for the private universities and colleges , which have been accusing the admissions agency of denying them an opportunity to admit students to their institutions.

However, the private institutions need to heed Education minister's call that even as they are encouraged to invest in the education sector, they cannot continue charging prohibitive fees.

But while public universities breathe a sigh of relief, we urge them not to rest on their laurels but work hard to expand their facilities given that the population of joining students will continue to grow every year.

There is also need to focus on offering courses that will help spur the country's development. It will be a waste of money if we continue offering courses that add no value to the individual and country.

Online tax filing timely

The announcement by the Kenya Revenue Authority (KRA) that it has scrapped manual filing of tax returns to boost collections is a step in the right direction.

It has rolled out the iTax platform and scrapped the filling of manual forms. The benefit of electronic filing is that can be done at home or in the office.

But while adoption of the online platform is bound to enhance efficiency, we aver that KRA must also implement the new initiative gradually. The taxman ought to know that while Internet use in the country has grown , not all parts of the country are properly covered.

Hence while it wants all companies and individual taxpayers to use the iTax platform, what will happen to those in remote areas that either don't have Huduma Centres or good Internet coverage?

KRA plans to increase the number of active taxpayers to four million from the current 1.6 million. With a national population of more than 40 million, the low number of taxpayers is a clear indicator that many are outside the tax net While we understand it is desperate to meet its targets by improving annual collections, implementing new strategies gradually will go a long way in helping it boost its revenue.

To comment...

The editor invites comments on our content and topical issues. Please include your full names, telephone number and address in your letter.
Email: bdfeedback2@ke.nationmedia.com

EDITORIAL & OPINION



"Yes, I said I will start my diet on Monday... but I didn't say which Monday..."

Why opponents of education reforms are wrong



COLLINS ODOTE
EDUCATION

Former President Daniel arap Moi is reported to have spoken out against the proposal to do away with the 8-4-4 system of education. His sentiments require careful scrutiny. First, because he is a former president and secondly, because the system was introduced in 1985, when he was in power. He is, therefore, not just your ordinary commentator. His sentiments were echoed by Kenya National Union of Teachers secretary-general Wilson Sossion.

At the outset I disagree with both statements. While some of the issues they raise , including timing, cost and performance of 8-4-4 graduates are important and legitimate, their opposition to far-reaching reforms of the system of education misses the point by a wide margin.

The country's education sector is in crisis and has been for several years now. When examinations stop serving the purposes of assessment and the results are unbelievable, when industry questions whether the graduates being produced from the system are "fit for purpose" and when parents, even those who cannot afford the costs of foreign education curriculum, start speaking nostalgically about taking their children to an education system that is not 8-4-4, then it is time to stop burying one's head in the sand. That is the situation we are in as a country.

Reforming the system is not to say that all is wrong with the 8-4-4 system of education. As Mr Moi points out, many graduates of the system are very successful and contribute to development not just in Kenya but many parts of the world. Both in school and at work they are competitive when compared with those who have passed through other educational systems.

We need to reform the system because broadly it has much more negatives than positives, even if some of the problems in the education sector are not caused by the system of education itself. When the system was adopted it was supposed to help address the developmental needs of Kenya, hence the focus on practical subjects like home science and art and craft.

This is not the same as the argument that teaching humanities and arts is not important. One who argues that way fails to appreciate the full import of an educational system and its curriculum. Importantly, the argument appreciates that every education system must respond to societal needs. The 8-4-4 system has been criticised for, among other reasons, not producing graduates who can solve the problems of society. This should be reason enough for us to rethink the system.

Examinations play an important role in an educational system. You can change how it is administered, when it is set, what it covers, but there must a way of testing whether students are inculcating the knowledge they learn.

Even in a factory, apprentices will be given some test to see whether they are able to undertake the tasks they have been trained to do. But when examinations replace learning, they lose meaning. As opposed to being measures of abilities and learning they become a loophole for avoiding learning. All one needs is to pass an examination. Why bother learning mathematics when it is not your knowledge of mathematics that determines the grades you get in mathematics?

Over the past three years I have been trying to balance my son's classes and his love for football. I am not alone in this. I have spoken to parents who find the non-focus on sports and talent frustrating. Yet in real life we go to school to identify and pursue careers. Careers are determined by skill, knowledge and talent. An educational system has to nurture talent, impart both skill and knowledge. Does our current system fully do so?

As we change the system it is important to realise that it is not just the change in name that is important. This country is too used to changing names of institutions and programmes every time there is a problem. But like ideologies, it is the content and not just names that are important. If all we do is change names then we will end up experimenting with our children's and country's future.

We also need to deal with our value-system as a society. There are things we learn at school as we grow up. Others we learn from our parents and from society. When children are involved in activities that we detest do we stop to ask ourselves whether they may have copied those practice by observing what we do as their parents? It is time our view of education encompassed our societal values too? If the values we have are not good for Kenya, we have to invest in changing that too. Otherwise the change in the educational system, though laudable may not achieve the desired results.

Dr Odote *teaches at the University of Nairobi*

VIEWS FROM ABROAD ■ *Opinions from around the world*

A good listener leading Libya

The United Nations is not in the habit of choosing a country's leader, but in December it was forced to do just that for Libya. The North African nation has been in chaos and civil war for nearly five years since the fall of Muammar Gaddafi. So what sort of leader did the UN choose? He is Fayez al-Sarraj. His main attribute as a leader, however, may be that he hears people out to achieve a consensus, which will be critical to piecing together a country split apart by tribes, region, and ideology. "He listens more than he talks, and he thinks before speaking," said a former Libyan ambassador and childhood friend, Abdu Alhameed.
The UN may have done well by picking Sarraj for Libya.

CH SC MONITOR
BOSTON

Genocide: Let's be resilient

Last week, Rwandans went back down a memory lane as they remembered, for the 22nd time, the 1994 genocide against the Tutsi that claimed more than one million of their compatriots.
Today, the young kids who were skipping from one hiding place to another are young adults who are actively participating in rebuilding their country.
They are the country's hope for tomorrow as we struggle to build firm foundations based on patriotism, understanding between people and the sanctity of human life. But the biggest asset is building self confidence and the resilience to trudge ahead.

THE NEW TIMES
KIGALI

SA has bigger problems

South African President Jacob Zuma's woes continue to worsen. Last week, South Africa's highest court ruled he had violated the constitution. South Africa, however, will continue to be damaged by Zuma's behavior and the allegations that swirl around him. That verdict follows a series of scandals suggesting the president's judgment has been compromised by relationships with a family of South African businessmen. South Africa, however, will continue to be damaged by Zuma's behaviour and the allegations that swirl around him. Unless and until those priorities are reversed, South Africa will continue to spiral downward. Jacob Zuma is merely symptomatic of a larger problem.

THE JAPAN TIMES
TOKYO

Stronger yen heightens pressure on Bank of Japan

QUENTIN WEBB
ECONOMY

A stronger yen heightens the pressure on the Bank of Japan. Sharp moves in the currency set back Prime Minister Shinzo Abe's plan to revitalise Japan's economy. But intervention — selling yen and buying dollars — would be unpopular abroad. The central bank, already deep in experimental territory, may need to do more.

As of early afternoon in Tokyo on April 8, one dollar bought about 108.60 yen, versus more than 120 at the start of the year. The currency's resurgence owes something to the weaker dollar, but also reflects Japan's unlikely but enduring status as a "safe haven": a place to park money amid rising concerns about US presidential elections and Britain's potential exit from the EU, among other things.

A key plank of "Abenomics" has been huge amounts of BoJ bond-buying, which helped to take the yen from 85 to about 120 against the dollar in the two years after Abe took office, and handed record profits to Japan's export-heavy corporate sector. So the partial reversal is a headache: the threat to earnings has knocked the stock market, in turn denting investor sentiment and confidence in Japan's reforms. A stronger yen also means less imported inflation and bodes ill for government coffers because it translates into lower taxes on wages and profits.

Japanese officials are trying to talk the currency back down. But if the jawboning proves ineffective, it's not obvious what else they can do. Simply selling yen would undercut Abe's recent statement, echoing February's Group of 20 agreement, that countries should avoid "competitive devaluation" and "arbitrary intervention". Such a move would be unpopular in Washington and elsewhere, and especially awkward as Japan prepares to host a summit of the Group of Seven developed countries in May.

That puts the spotlight on the BoJ, whose next policy meeting is later this month. It could conceivably buy even more bonds, focus more on riskier assets, or push deeper into negative interest rates. But the BoJ already presides over an enormous balance sheet, with the bond-buying programme totalling a huge 80 trillion yen a year. Meanwhile, January's surprise introduction of negative rates has not only proved deeply unpopular but is still bedding down.

The author is a Reuters Breakingviews columnist.

Letters

The editor welcomes brief letters on topical issues. Opinions expressed here are not necessarily those of the editor or publisher. They may be edited for clarity, space or legal considerations.
Send via e-mail to **bdfeedback2@ke.nationmedia.com**

Rein in rogue banks to restore confidence

In this banking crisis, it is the customers and employees who will suffer most as the top managers who plunged the financial institutions into woes likely to walk scot-free.

Last week, employees of Chase Bank headed to work only to find out that they were jobless and they had to return home with shame and anger. How do they explain to their children that they, for example, could no longer afford fees at their current schools and they have to transfer to cheaper ones? How do they tell their spouses that they have to downsize and probably dispose of some of their assets just to survive?

How about the depositors who worked hard to save their money in the bank but they now cannot even meet their basic financial needs because their money is not accessible?

Because the bank did not just collapse one morning, where was the regulator Central Bank of Kenya (CBK) all that time that directors were borrowing billions of shillings, putting the depositors' savings at risk?

The collapse of Chase Bank follows that of Imperial Bank and Trade Bank. It is time the credibility and confidence in these financial institutions is be restored.

Depositors need assurance that their money is safe and shareholders need guarantee that their investments are solid.

The only to end this corporate greed and protect stakeholders is for the government to rein in the corrupt.

ANTONY ALEX IRUNGU, **via email**



Chase Bank customers outside the Mama Ngina Street branch in Nairobi on Thursday. DIANA NGILA

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What does placing of three banks under receivership just in three months mean? This is an indictment of former governor Njuguna Ndung'u's tenure at the CBK. There are some of us who simply don't believe he did enough to rein in rogue banks.

CBK governor Patrick Njoroge's influence has dissuaded the house of cards mentality at these banks which has led to market correction. These are economic crimes that need Director of Public Prosecutions Keriako Tobiko's attention.

Let the CBK now check on all local banks, particularly those that grew so fast under Prof Ndung'u's tenure. Let any bank culpable be put under receivership so that sanity returns to our interest rates.

JOSEPH KIOI, **via email**

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Some of the headlines on Chase Bank collapse are alarming and they can make any bank in Kenya today to close. Why? They cause panic withdrawals leading to cash flow problems at the clearing house.

Most Kenyans are illiterate financially and can therefore not ascertain the liquidity, gear, leverage and assets cover of a bank or company before making financial decisions even in as much as banks publish them quarterly.

Chase Bank's case is only a minor setback. Shareholders only need to inject additional capital into the lender and it would be back in business. I hope they had built some reserves over the years.

Unlike Imperial Bank though, Chase Bank has some really solid shareholders who are more than able to bail it out if they want to. The DEG — the investment arm of the German government — and Amethis Finance, which is backed by the Edmond de Rothschild Group, both have very deep pockets.

MARY WAHOME, **via email**

Address deplorable conditions at all key public hospitals

When I read the article on heart disease patients at Kenyatta National Hospital (KNH) having to wait until 2018 for treatment, I was really saddened.

I empathise with the patient who has to pay a deposit before making the long waiting list and he still has to wait indefinitely before undergoing surgery.

Last month, I had taken someone to KNH and I can feel many Kenyans' pain. From Saturday afternoon, my patient was admitted on Sunday morning and yet she was in a dire condition. What annoyed me even more was not getting served but a long queue of mothers holding their ailing babies aged below three who also spent the night there but could do nothing as they watched them cry in pain.

The KNH needs to have a policy that always gives children priority. Even at a bank, old and expectant mothers are given priority. They need to entrench their motto 'We Listen, We Care' in service delivery.

In terms of capacity, we need to allocate more funds to enhance the capacity of the KNH and other public hospitals because we are losing patients who would have been saved had they received timely medical attention.

It is not fair for a heart patient to wait for a month for surgery meant to save one's life. For a country with an annual budget of more than Sh1 trillion, investing in social amenities such as hospitals should be given a priority. The national referral facility needs additional doctors, beds, medical equipment and nurses.

SW
via email

Alternative ways of solving legal disputes will ease litigation burden

MOSES WANJALA
JUSTICE

Since the passage of the new Constitution in Kenya in 2010, many institutions have been undertaking reforms to comply with the supreme law.

The Judiciary on its part is, among other things, taking deliberate steps to ensure that access to efficient, effective, expeditious and affordable service delivery becomes a reality to the millions of Kenyans who seek justice from the courts every day.

The dream of employing alternative — and often less tedious and less expensive to all the parties — justice systems in resolution of disputes is set to come to fruition soon. Thanks to move by the Chief Justice Willy Mutunga to gazette a Committee on Alternative Justice Systems at the beginning of March.

In a marked departure from the traditional and conventional way in which disputes in Kenyan courts are solved through litigation, the Judiciary is now exploring the introduction of a court-linked mediation programme.

A pilot programme for this will first be initiated at the Commercial and Family divisions of the High Court at Milimani before being rolled out countrywide. A successful court-linked mediation programme will not only afford Kenyans a relatively cheap and less acrimonious forum for solving their disputes but also help ease the backlog of cases that dog ours courts.

Authority

The success of such a programme, however, depends on a well-established and supportive legal and institutional framework.

Article 159 of the Constitution lays out the legal groundwork by requiring that the Judiciary, in exercising judicial authority, be guided by among other things, alternative forms of dispute resolution including conciliation, arbitration and mediation.

A recent development that directly impacts the quest to embrace mediation as a dispute resolution mechanism is the amendments to the Civil Procedure Act, which established the Mediation Accreditation Committee.

The committee is established under section 59A of the Civil Procedure Act (Cap 21) Laws of Kenya. Its members gazetted by Dr Mutunga on February 20, 2015 are drawn from the Judiciary and stakeholders including the Kenya Bankers Association, the Chartered Institute of Arbitrators, and the Central Organisation of Trade Unions.

It will be the statutory duty of the committee to ensure that a proper ethical standard among the mediators is observed through the enforcement of a code of ethics for mediators.

The author is magistrate and registrar of the Mediation Accreditation Committee, Office of the Chief Justice.



DANIEL KIPTOO
LEGAL ADVISOR TO ENERGY CS CHARLES KETER

"Kenya is open to any least cost route available, whatever the case we will go it together as East Africans."



JOSEPH NYAGA
NORTHERN CORRIDOR INTEGRATION PROJECT AUTHORITY IN KENYA.

"We have agreed security people should be brought on board so that as we speak as energy people we will bring experts in security and finance to help address conditions set by Uganda."

Battle of wits hots up as Kenya, Uganda officials resume oil pipeline talks

VIEW POINTS Teams expected to reach a conclusion on the most cost-effective route to transport 600 million and 6.5 billion barrels of oil from Kenya and Uganda respectively

BY LILIAN OCHIENG'

Kenya, Uganda and Tanzania government officials start a three-day meeting today in Kampala to discuss a technical report on the contentious $4 billion (Sh400 billion) crude oil pipeline route. The investment potential if land-locked Uganda decides on whether the pipeline transverses northern Kenya to the proposed Lamu port has raised stakes of the meeting.

The report consists details of the three potential routes; the Tanga in Tanzania, backed by a Gulf Interstate Engineering study and the southern and northern Kenya routes, supported by the Toyota Tsusho feasibility study.

The team is expected to reach a conclusion on the most cost-effective route to transport 600 million and 6.5 billion barrels of oil from Kenya and Uganda respectively.

Energy and Petroleum Principal Secretary Andrew Kamau said the outcome of the discussion will be presented at the Northern Corridor Integration Projects (NCIP) summit in Kampala in a fortnight.

Kenya, Uganda, Rwanda, South Sudan and Ethiopia presidents are keenly following the discussions because the pipeline is considered a key resource within the Northern Corridor projects.

The northern Kenya route starts from Hoima and goes through Lokichar to Lamu. If Uganda opts out of the Kenya route, it will take the Hoima to Tanga one.

Uganda Energy minister Irene Muloni said on phone that their main interest is "a least cost route considering tariffs, terrain, infrastructure and viability of the port of transportation."

Ugandan officials said Tanzania had waived land fees, transit charges and taxes on the pipeline, but critics argue that such a deal is not economically-viable. The Kenyan government, however, will charge Uganda Sh1,280 per barrel of oil transported through the Hoima-Lokichar-Lamu route. If the pipeline passes through northern Kenya, it will be owned by the two governments, Total which owns a majority stake in Uganda oil fields, Tullow Oil and China Offshore National Oil Corporation.

"KPC [Kenya Pipeline Corporation] will come in at the very last stage to manage the crude oil pipeline," said John Ngumi, the chairman at an interview with *Business Daily*.

"Kenya is clear that it prefers the northern route through Lamu, for its added advantage presented by the Lamu Port South Sudan Ethiopia Transport (Lapsset) corridor," he said.

Mr Ngumi said that oil-dependant South Sudan could also opt for the Kenyan route, adding that "it will make sense to extend it to serve Ethiopia which lacks a crude oil pipeline.

"This will boost the country's share of wealth, Juba pays Khartoum $25 (Sh2,500) per barrel in transit fees and Kenya presents a more affordable option through Lamu," Mr Ngumi said.

Uganda's decision to pursue the Tanzania route was a surprise to Kenya which had in August 2015 settled on the Hoima-Lokichar-Lamu route with the landlocked neighbour. But Total does not favour the route citing insecurity linked to Al-Shabaab attacks, banditry and cattle rustling.

In October 2015, Uganda's Energy ministry signed the agreement with Tanzania Petroleum Development Corporation and Total E&P Uganda. The October deal proposes a feasibility study that would give way to the construction of a crude oil export pipeline via northern Tanzania to the Indian Ocean port of Tanga.

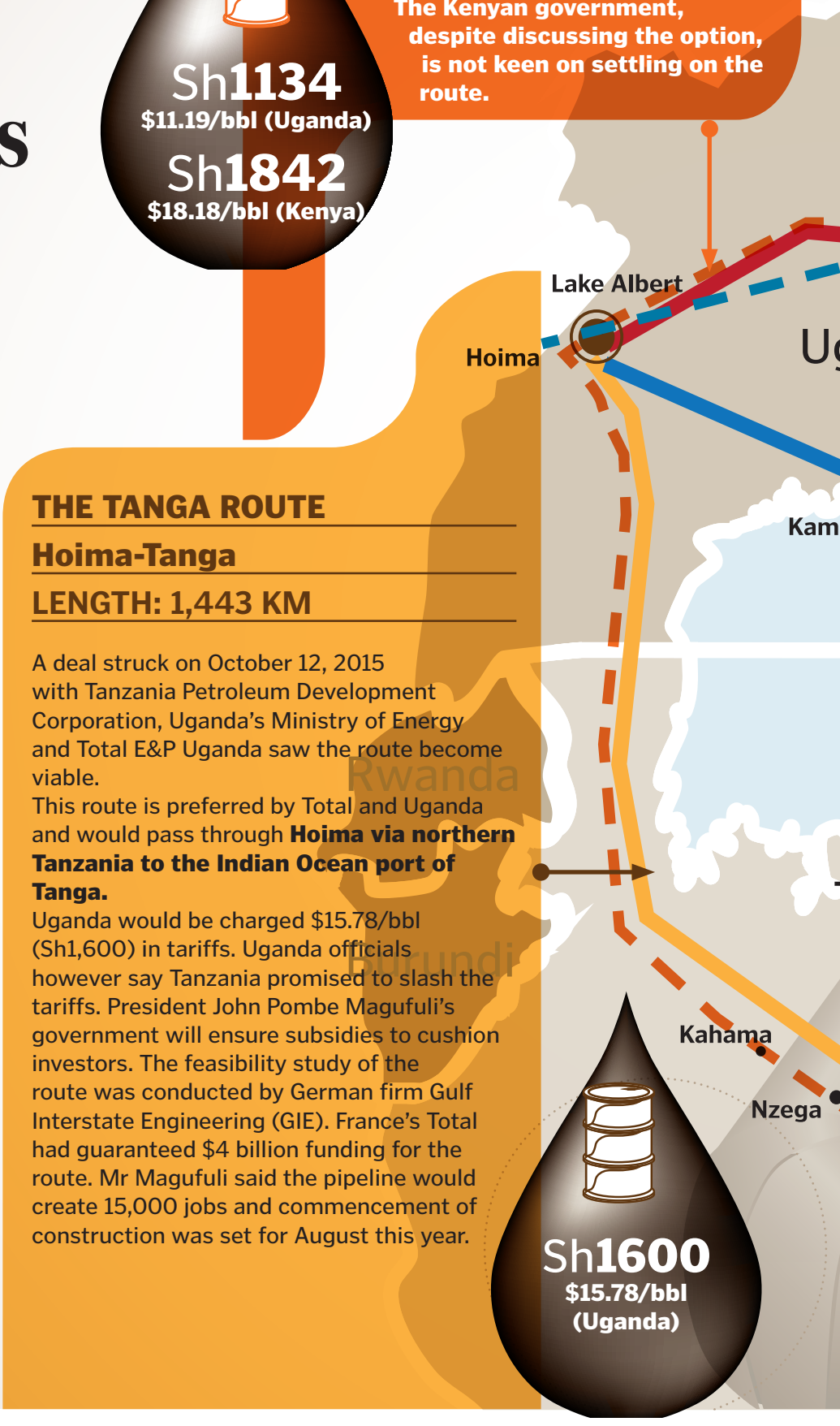
The move sparked fresh talks between Kenya and Uganda even after Toyota Tsusho set the pipeline completion date at 2020.

laochieng@ke.nationmedia.com

THE JOINT TANGA ROUTE:
Lokichar -Hoima -Tanga.
LENGTH: 2,028 KM

This route, if considered by both Uganda and Kenya, could be 2,028km long. Kenya is however not intent on the route.
It would mean that Kenya will have its oil transported from Lokichar to Hoima then to Tanga.
While it would cost Uganda $11.19/bbl as tariff charged to transport oil through the route, Kenya would shoulder the most charges at $18.18/bbl (Sh1,842).
The Kenyan government, despite discussing the option, is not keen on settling on the route.

Sh**1134**
$11.19/bbl (Uganda)
Sh**1842**
$18.18/bbl (Kenya)



THE TANGA ROUTE
Hoima-Tanga
LENGTH: 1,443 KM

A deal struck on October 12, 2015 with Tanzania Petroleum Development Corporation, Uganda's Ministry of Energy and Total E&P Uganda saw the route become viable.
This route is preferred by Total and Uganda and would pass through **Hoima via northern Tanzania to the Indian Ocean port of Tanga.**
Uganda would be charged $15.78/bbl (Sh1,600) in tariffs. Uganda officials however say Tanzania promised to slash the tariffs. President John Pombe Magufuli's government will ensure subsidies to cushion investors. The feasibility study of the route was conducted by German firm Gulf Interstate Engineering (GIE). France's Total had guaranteed $4 billion funding for the route. Mr Magufuli said the pipeline would create 15,000 jobs and commencement of construction was set for August this year.

Sh**1600**
$15.78/bbl (Uganda)

KENYA NORTHERN ROUTE

Hoima-Lokichar-Lamu

LENGTH: 1,476 KM

Kenya and Uganda, through a deal signed August last year, settled on this route saying it was the least expensive. It passes through Hoima-Lokichar to Lamu—areas largely unoccupied. It also passes through the Lamu Port, South Sudan, Ethiopia Transport (Lapsset) corridor.

The route was rejected by Total, Uganda's key oil investor, because of its proximity to North East Kenya which is prone to terrorist and bandits attacks.

This route is Kenya's main interest in the discussions because of the massive resources tagged through Lapsset, which could see Ethiopia and South Sudan connect their pipelines to use the Lamu Port.

Uganda agreed to take this route only if Kenya ensures financing, controls insecurity, lowers tariffs and speeds up construction of the pipeline. Kenya has so far set up a security team for the pipeline. The IMF, AfDB and China Exim Bank have guaranteed funding for the pipeline.

Sh1273
$12.56/bbl (Uganda)

Sh714
$7.04/bbl (Kenya)

KENYA NORTHERN ROUTE

(stand-alone)

LENGTH: 891 KM

If Uganda settles on the Tanga route, Kenya will decide to go it alone through the northern route.

Since the crude will be moved from oil fields in Lokichar to the export point in Lamu, it means that the length will be shorter at 891km.

The cost of transporting oil per barrel will be put at $14/bbl (Sh1,419) which is higher because only one country will be involved in transporting its oil.

Benefits could however arise later if South Sudan and Ethiopia decide to use Lamu port as an export point.

Sh1419
$14/bbl (Kenya)

Tanga Route
Kenyan Southern Route
Kenyan Northern Route (Standa-lone)
Joint Tanga Route
Kenyan Northern Route

Moroto
Lokichar
Uganda
Kenya
Maralal
Malaba
Siaya
Lessos
Nakuru
Isiolo
Garrissa
Nairobi
Isinya
Sultan Hamud
Pate Island
Lamu
Garsen
Tanzania
Mombasa
Singida
Korogwe
Tanga

*bbl- cost per barrel

KENYA SOUTHERN ROUTE

Hoima-Nakuru-Lokichar-Nakuru-Nairobi-Mombasa

LENGTH: 1,544 KM

The route could be pursued by both Kenya and Uganda.

It passes through Hoima-Nakuru-Lokichar-Nakuru-Nairobi to Mombasa port where the oil is exported.

The total length is 1, 544km. It will cost Uganda $11.79 (Sh1,195) as tariff charged to transport oil per barrel (bbl).
It will, on the other hand, cost Kenya $9.29bbl (Sh942).

Oil major Total prefers this route.

Kenya says the route is more expensive and will involve displacements of lots of people.

This will cost the Kenyan government billions of shillings in compensation and settlement of those displaced to give way to the pipeline.

Sh1195
$11.79/bbl (Uganda)

Sh942
$9.29/bbl (Kenya)

GRAPHIC BY GENNEVIEVE NAHINGA

Africa in talks with Europe to return illicit money from continent

INVESTMENTS Leaders in plea as continent loses around $50bn every year through illegal finance flows

BY ANDUALEM SISAY
CORRESPONDENT

The African Union Commission continues to discuss with the European Commission the repatriation of illicit money from the continent, an official said.

"There are illicit funds from Africa in European banks. We started discussions with the European Union some years ago to bring back these funds.

We find it morally and economically good for the banks to send the funds back," said the African Union Commission (AUC) Chairperson, Dr Nkosazana Dlamini Zuma.

"We can use this money for implementations of Agenda 2063 and advance mother and children's health in the continent and the like," she said Thursday evening at a brief press conference that followed the opening of the annual 'College-to College Meeting of AUC and European Commission (EC)'.

Africa loses around $50 billion every year through illicit finance flow, which is almost double the Official Development Assistance (ODA) the continent receives, according to the 2015 UN report by a high-level panel on illicit cash transfers, chaired by former Nigerian President Olusegun Obasanjo.

The two sides also discussed various areas of cooperation, ranging from tackling migration to fighting terrorism, according to Ms Federica Mogherini, the Vice-President of the EC High Representative of the Union for Foreign Affairs and Security Policy.

"Investing in African security is like investing in security of the world... We have been engaged with 35 AU member states on different areas of cooperation with joint action plans.

In addition, we are also already engaged bilaterally with 13 of these countries in different projects, including local community support and border management," Ms Mogherini said.

"It is not a one size fits all approach. With EU trust Fund for Africa, we are financing various projects in the Horn of Africa, Sahel and Lake Chad regions," she said, stating that EU had already allocated 715 million Euros for such projects.

The discussions were centred around the priority areas of the 2014 - 2017 Roadmap adopted at the Africa-EU Summit in Brussels, Belgium in 2014.

They include peace and security, human development, global and emerging issues as well as democracy.



Cocoa production...

Purchases of cocoa in Ivory Coast's mid-crop season that starts in April have ground to a halt because of a lack of rain and harsh winds that have also hit quality. Forecasts for the April-October mid crop say it could drop by 24 per cent . The West African country is the world's biggest producer of cocoa, with output of around 1.8 million tonnes per year. Many exporters have reduced or stopped buying altogether as a lack of rain has made beans smaller and twice as acidic as usual. AFP

Africa gold producers wary despite price rebound

A steep rise in gold prices may have given hope to a battered mining industry in 2016, but after four tough years producers in Africa are still too wary to call the bad times over.

Gold prices surged 15 per cent in the first three months of 2016, the biggest quarterly rise in nearly 30 years, boosting miners' share prices, attracting new investment and promising to bolster the economies of gold-rich countries.

Experts say the rebound could spur development of major unexploited deposits after low prices since 2012 crippled exploration and made countless projects unprofitable.

Still, Africa-focused gold producers are not quite ready to make investment decisions because of a brief price rise. Prices have often risen in recent years only to quickly retreat - indeed, the recent rally has stalled in the last few weeks after the very strong start to the year.

Prices aside, some industry experts say a recent spate of takeover bids could be another indication of a sector recovery. Amara Mining, which has projects in Ivory Coast and Sierra Leone, was subject in February to an $85 million bid by Australia's Perseus Mining.

Canada's Endeavour Mining, which owns gold mines in Ivory Coast, Mali and Ghana, is in the process of taking over TrueGold, another West Africa-focused miner. At two major industry conferences he attended last month, Amara chief executive John McGloin said there was a sense that things could be turning around. But no one was getting overly excited.

"People weren't high fiving," he said. "There is confidence, not exuberance."

Gold prices dropped from over $1,900 an ounce in 2011 to near $1,000 at the end of last year. Mines that were profitable at $1,500 suddenly became loss-makers. Exploration halted; share prices dived.

Production

Gold production has remained robust, mainly due to production from existing mines. Without major new exploration, however, output could drop in the years to come.

Prices are now over $1,200 per ounce, helped by low interest rates. The cost of producing gold, which came down during the slump, remains low for now, which could aid exploration efforts.

Endeavour Mining has seen its production costs fall from $1,137 an ounce to around $900. At its Agbaou mine in Ivory Coast, it produces gold at about $700 an ounce. "There is optimistic caution," Endeavour chief executive Neil Woodyer said. "It is a time for getting ready rather than any huge commitments."

Endeavour, whose share price rose nearly 50 per cent in the first three months of the year, expects to spend $14 million this year in "non-sustaining exploration", or exploration involving new finds, up from $8 million last year. It hopes to soon begin construction of the Hounde mine in Burkina Faso that over 10 years will produce about 1.9 million ounces of gold. "Over the last two years they have been in defensive mode and cutting costs, now they are starting to generate cash," said Andrew Breichmanas, analyst at BMO Capital Markets in London.

-REUTERS

BRIEFING

FREETOWN

Orange acquires Liberia's largest operator Cellcom

French multinational corporation Orange has announced the acquisition of 100 per cent of Liberia's largest operator, Cellcom.

The deal was struck through Orange's Côte d'Ivoire subsidiary for a fee that was not disclosed. It is the latest in the French conglomerate's strategic move to conquer the West African market.

Liberia becomes the 20th country to join the Orange family in Africa and the Middle East, the company said . "This acquisition is part of the international development strategy of Orange, which aims to accelerate growth by entering new emerging markets with high potential," the statement reads. "This will enable Orange to strengthen its positions in Africa, where almost one in 10 people are already customers."

JUBA

UN commends South Sudan factions for move on peace

The United Nations has commended South Sudanese rival factions for pushing the peace process forward. The UN deputy Special Representative of the secretary-general in South Sudan, Moustapha Soumare, however sent a strong warning to President Salva Kiir and opposition leader Riek Machar to bring to book all those responsible for the crimes against humanity during the two years of conflict. He said the past two years had seen thousands of people killed, millions of others displaced and hundreds of thousands affected by the conflict.

"The leaders of South Sudan have in the peace agreement, expressed profound regret over the suffering and distress caused to the people by the conflict. They have committed to national reconciliation, accountability, healing, and combating impunity as highest priority of the Transitional Government of National Unity. "Now is the time for them to demonstrate that they will leave up to their commitment," Mr Soumare said.

LUANDA

WHO wants all Angolans to get jabs against yellow fever

The World Health Organisation (WHO) wants all Angolans vaccinated against yellow fever. WHO boss Margaret Chan said the measure was necessary to contain the outbreak of the disease in the southern Africa state.

Dr Chan who was arrived in Angola Monday, met the country's Health minister Luís Gomes Sambo and visited some hospitals in the capital Luanda. She also met other government officials and the representatives of international organisations in Luanda.

The Luanda authorities say 5.8 million people have already been vaccinated against yellow fever. Angola has a population of 26 million.

The MarketPlace

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p.17 **RESEARCH** How to strengthen the media sector through better research

p.18 **EDUCATION** Zeleza is new USIU-Africa VC after Brown's retirement

THE BIG STORY

Make advertising your business in a downturn to keep selling and grow

RESEARCH McGrawHill Financials has found out numbers grow by up to 256 per cent

BY VICTOR AMADALA

Companies that advertise vigorously during an economic slowdown are likely to increase sales by up to 256 per cent, according to a study by McGraw-Hill Financials, a US based global provider of ratings, benchmarks and analytics in capital and commodity markets.

This finding perhaps provides fodder for marketers in Kenya, who are faced with the challenge of promoting sales as the country struggles with high lending rates, negative trade and budget balances, and rising unemployment.

Last year, the Kenya Revenue Authority missed its tax collection targets by Sh67.7bn, with total cumulative revenue, including Appropriations-In-Aid (AIA), of Sh575.2bn against a target of Sh642.9bn. The Treasury blamed this shortfall on diminishing Pay-As-You-Earn (PAYE) and Value Added Tax (VAT) returns due to retrenchments in the corporate sector fueled by high operational costs.

At the same time, as many as 18 companies in the insurance, banking, media, construction, motor and logistics sectors last year issued profit warnings.

The unemployment rate stands at 40 per cent, up from 12 per cent a decade ago, while the average lending rate has moved upwards again to 18.3 per cent from 17.17 per cent in November last year.

In such climates, most companies tend to control costs and maintain liquidity. But the McGraw-Hill study shows that companies that consistently advertise even during recessions perform better in the long run.

The study of 600 companies from 1980 to 1985 found those businesses that chose to maintain or raise their level of advertising expenditures during the 1981 and 1982 recession in the US had significantly higher sales after the economy recovered.



Some of the challenges for firms in Kenya are high lending rates, negative trade and budget balances, and rising unemployment. FILE

More strikingly still, companies that advertised aggressively during the recession had sales 256 per cent higher than those that did not continue to advertise.

McGraw-Hill's study is complemented by another by Wharton marketing professor Leonard Lodish who explains that when companies slash advertising in a downturn, they leave empty space in consumers' minds for aggressive marketers to make strong inroads.

During a recession, when consumers are experiencing anxiety, companies have to come up with ads that try to empower and help them stay positive, he says.

Another marketer Matt William of Martin Marketing agency based in the US and operating in 23 countries says that companies that slash their advertising and communication budgets in the downturn spend four to five times the money saved to regain share of the voice in the market once the economy turns around.

He argues that marketers should position the brand as an ally to customers in tough times, through ads and other sales promotions.

Another survey by Ad Age, which analysed the results of 26 global companies dealing in household and personal-care products from 1986 to 2006 found that brands that had a fluctuating advertising budgets, with most of it slashed during recessions, lost to private labels immediately after recessions and long after.

However, even though most researchers are encouraging brands to continue advertising even during economic turmoil, Shar Vonboskirk, vice-president at Forrester Research is warning them to shun traditional expensive advertising platforms and embrace digital options, which are less expensive.

Elsewhere, a *Harvard Business Review* study dubbed, '*How to market in a down turn*' explains that advertisers must consider consumers' emotions in their ads, since bad economic news erode consumers "confidence and buying power, driving them to adjust their behavior in fundamental and perhaps permanent ways".

-AFRICAN LAUGHTER

Firms that have adopted energy-saving practices feted at ceremony

BY NEVILLE OTUKI

Cigarette maker British American Tobacco (BAT) bagged the top spot at this year's fete recognising manufacturers with best energy-saving practices as Sarova Stanley Hotel shone in the service industry.

BAT was on Friday crowned the overall winner in the Energy Management Awards (EMA), organised annually by the Kenya Association of Manufacturers (KAM) — the industry lobby.

Thirteen companies, including Jomo Kenyatta University of Agriculture and Technology (Jkuat), were feted in the 12th edition of the awards that attracted 120 entries.

KAM chief executive Phyllis Wakiaga said that energy audits indicate that the country has been saving Sh1 billion annually from efficient use of power by large users in the past 12 years.

The Energy (Management) Regulations 2012 directs industries, business premises and institutions with annual power needs of more than 180,000 kilowatt hours (kWh) to conduct energy audits at least once every three years.

The audits, whose deadline was last year, aim to troubleshoot and seal loopholes in energy leakages.



Energy PS Joseph Njoroge (centre) presents the overall winner award to BAT staff on Friday night. JEFF ANGOTE

BAT, which uses both electric and thermal energy, conducted its audit in October 2014 and would save 1.4 million mega joules (MJ) or Sh10.9 million per year if it adhered to the recommendations including investing in energy efficient equipment.

Deputy President William Ruto said the government was keen to further cut power costs through increased investment in cheaper renewable energy to sharpen manufacturers' competitiveness.

"This should translate into cheaper goods," said Mr Ruto during the gala.

The industrialists lobby has recently complained that the current electricity tariff of Sh15 ($0.15) per unit is eating into their margins.

Other companies feted include Bamburi Cement, Mzuri Sweets, Premier Foods, Kenya Breweries, Bidco Africa, Brookside Dairies and Haco Tiger Industries.

Mombasa Cement, Gitugi Tea Factory and Chandaria Industries were also crowned.

The energy awards are part of the country's Clean Sustainable Energy policy meant to conserve energy, boost awareness on climate change and champion use of renewable energy.

The Market Place

CORPORATE SCENE



Ms Anne-Solange Renouard (right), the MD of Total Kenya, Mr Sandeep Shah , the Managing Director of AutoXpress, and Norah Rafimbi, the service station dealer, cut a ribbon to unveil the new-look Total Moi Road service station, Naivasha and officially open the modern AutoXpress Fitment Centre.

COURTESY



The Kenya Revenue Authority delegation led by the Commissioner General, Mr John Njiraini, recently toured the Kenya Breweries factory to strengthen the relationship enjoyed by the two institutions. Kenya Breweries Managing Director, Ms Jane Karuku, led the tour. KBL committed to continue spearheading efforts to promote responsible drinking. KBL is a top tax payer.

COURTESY



Group Managing Director KenolKobil Limited David Ohana addresses a media briefing on the 2015 full year financial results. KenolKobil posted a profit of Sh2 billion in the period ended December 31, 2015.

How brands rebuild custom

STRATEGY KQ has embarked on a recovery strategy and keeps the public informed of its achievements

BY SILVIA MWENDIA

Kenya Airways lounges at Jomo Kenyatta International Airport (JKIA) were last month ranked the second best after Taipei by a SkyTeam Alliance survey: an announcement the airline put out at speed, in a flow of near constant media communication from the airline, following its massive losses last year.

The move to constant good news is a strand of crisis management, with effective crisis responders found to retain more shareholder value in the first 250 days compared to ineffective responders, according to a 2012 study by Oxford Metrica and Aon.

Speaking on the win, KQ chief executive Mbuvi Ngunze had said: "We are proud to be rated among the top in our service delivery. More so because this recognition is not just a vote about our product facilities offered, but also combine our customers' very clear perceptions about our service standards."

In July last year, the national carrier reported net losses of Sh25.7bn, the biggest in the company's history. Since the historic loss, however, the company has embarked on a recovery strategy and aptly kept the media and public informed. The strategy has in large part consisted of cost cutting measures, such as selling its prime Heathrow landing slot and its redundant fleet.

Commenting on a 2014 story-*Can a brand survive a crisis long term?*-in "Marketing Week", Jeremy Ellis who is a marketer at TUI UK & Ireland said of crisis management: "It is about rebuilding faith in your brand, being honest about what you are doing and talking about the good things you have done, particularly in relation to that crisis."

It is through this scope that Kenya Airways now hopes to see its brand emerge even stronger in the long run.

A 2013 Deloitte Touche Tohmatsu Limited survey saw business leaders identify reputation as their top most strategic risk, thereby signalling the importance of crisis management when the need arises.

Crisis management

In 2012, a World Economics study titled The Impact of Reputation on Market Value by Simon Cole revealed that on average, over 25 per cent of a company's market value is directly attributable to its reputation. This further cements how high the stakes are when it comes to crisis management.

A crisis is largely understood as a disaster that occurs at a particular moment in time. Deloitte however further widens this definition.

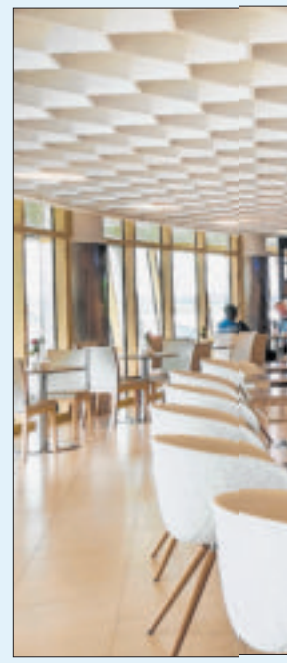
"A crisis can be a single mega event or a combination of issues and events that collectively threaten an organisation's strategic objectives, reputation, or even its viability," said the global firm.

Half of all crises begin with executives and managers, while a third are started by employees, reported the Institute for Crisis Management in its 2013 A these appa imperativ handle a c

When Daher of company safety equ practices when pre for Petrol dle East H and Susta ference ar

The fi nicate in sis. Brand media th rather th control o better cha formation

Next, r are advise messages



A lounge at the new terminal at Jomo Kenyatta International Airport that offers world-class amenities. Kenya Airways lounges at JKIA were last month ranked the second best after Taipei by a SkyTeam Alliance survey. FILE



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The Market Place

tomer faith after a crisis



its 2013 Annual ICM Report. With these appalling figures, it is therefore imperative that brands know how to handle a crisis.

When a crisis occurs, Dr Elie Daher of United Safety, a global company that provides specialised safety equipment proposed four best practices to take into consideration when presenting at the 2014 Society for Petroleum Engineers (SPE) Middle East Health, Safety, Environment and Sustainable Development Conference and Exhibition (MEHSE).

The first of these is to communicate information about the crisis. Brands are advised to make the media their allies and be proactive rather than reactive so as to gain control of the situation and have a better chance to correct wrong information.

Next, marketers and brands alike are advised to focus on self-efficacy messages that are useful, valid and instructive in shielding stakeholders from potential risk. Here, the company should not also over-reassure the public but rather tell them how to protect themselves from the crisis.

The third best practice to observe is to communicate corrective and preventive actions. The company should outline their recovery plan to reduce uncertainty during the post-crisis. Corrective actions should be communicated very early on.

"Once a brand has shown the external public that it is also aware of what is happening, the next best thing to do is engage in discussions, or publicise the brand's future intentions, that is what the brand are planning to do about the current predicament," wrote Tony Gatheca, former Marketing Society of Kenya chair, in a 2015 story published on the website.

Lastly, brands are advised to establish strong leadership throughout the crisis. By being visible to employees, public and media, turmoil is reduced and order reasserted. It also reduces the notion that the company is hiding something.

Despite following these measures, brands should be always prepared for crises by having strategies put in place before hand.

"Going forward, it is important to remember that all brands can be perceived negatively in their lifetime so it is almost mandatory to have a marketing strategy to deal with the crisis as soon as it happens.

There are different approaches which can be taken to manage a crisis, and each approach is highly dependent on each individual situation. Many brands forget about crisis management until it is already happening, at which point it needs urgent and immediate attention," said Mr Gatheca.

-AFRICAN LAUGHTER

Insurance brokers association announces new board members

The Association of Insurance Brokers of Kenya (AIBK) announced the appointment of Nelson Omollo as its new chairman – taking over from Mr Muchemi Ndungu whose term ended in March.

Mr Omollo's election came alongside that of other board members following elections held at the Annual General meeting in Nairobi. Mr Omolo who is the Managing Director of Fairsure Insurance Brokers will serve for a period of two years ending 2018. He is a veteran of insurance who has worked in the industry for more than 20 years, having served in the position of Assistant Reinsurance Manager at Kenya National Assurance and later at various senior positions, including chief Accountant, in charge of General insurance business at Pan Africa Insurance.

Antony Mwangi of Sunland Insurance Brokers is the new vice chairman, a position previously held by Mr Omolo. He brings to the position 18 years of insurance experience acquired while working for a number of companies.

Nancy Kawira of Waumini Insurance Brokers and John Lagat of Sapon Insurance Brokers are the new Secretary and Treasurer respectively. Other board members are Chris Murai - Alpine Insurance Brokers, Petterson Mwai - Plan and Place Insurance Brokers, Rehan Khan - M A Khan Insurance Brokers and Peter Kihara from Utmost Insurance Brokers. Tom Mulwa of Liaison Group, who previously served as the association's chairman, also announced his retirement after serving the board from 2001 to 2016.



Students read copies of "My Network" magazine during its launch this month in Nairobi. The magazine comes free of charge with a copy of the Daily Nation every Friday. At the core of media currency are the ratings, which define the percentage of audiences who are consuming media at a given time. ANTHONY OMUYA

Strengthening media sector through better research



BY JOE OTIN

The top brands would not dare advertise without using audience measurement data because when you cross a certain threshold of expenditure you can't gamble your resources. Last year Sh105 billion worth of advertising on television, radio and newspapers was traded in Kenya using a media currency based on audience research data. Kenya is one of the countries that has a well developed media currency and for that reason the industry has benefited by attracting advertising spend from multinational brands even through the last global financial crisis.

At the core of media currency are the ratings which define the percentage of audiences who are consuming media at a given time. With the ratings, advertisers choose which segments to place their commercials and the media houses decide what to charge for the space and time. Media planners claim that there arefour factors that are commonly used to decide which spots to buy.

The first factor is the ratings achieved by the channels and time segments of the media under consideration. The second is the deal that is offered by the media houses, and higher discounts and value-add offers are attractive.

Thirdly, the relationship between by buyer and the seller, where history of successful campaigns and mutually beneficial interaction takes precedence.

Finally, and what is generally new in the market, is the engagement level of the spots under consideration, where we scrutinise the intensity of the viewers interest or emotional investment in the content. In markets that don't have regular audience research, the relationship as defined above is the biggest factor.

Traditionally we have used the paper diary tool to collect audience data and the Kenya Audience Research Foundation (KARF), through their research supplier Ipsos, has now employed new technology based on smart phone apps to collect the data. The use of this technology is a great milestone for the media industry and points to the future direction of providing robust and daily measurement.

But we are still not at par with the developed nations because the data collected through the app is based on declarative and not passive measurement, which is considered more accurate. Declarative data is generated from the respondents inputting information about their viewing habits and this relies heavily on memory and strict compliance from the people included in the study. Passive measurement is based on data collected automatically as the respondents consumes media content and limited actions, if any, are required by the participant.

The best media data currently is only available to the top advertisers who purchase the information regularly. The rest of the market is left guessing and using relationships to make their decisions which isn't ideal, especially when it comes to determining the ROI. The country's advertisers would benefit tremendously if they all had access to this data, and from observations around the continent, this would lead to increased investment in advertising.

Rather than having a handful of advertisers and media houses with audience data, the future depends on getting the data into the hand of the 7,500 advertisers in Kenya. This means that the burden of paying for the data is therefore spread among the advertisers and shrinks into a token amount required to get world-class data.

The additional amounts collected are then invested into state-of-the-art data collections systems based on passive measurement from both individual and household based media consumption. This would then cover not only traditional media, but new media as well including online media and various forms of ambient media. The funds would also be used to train executives in media houses, ad agencies and advertisers in understanding and using the data.

KARF is of the opinion that the funds can be raised through a levy included in the cost of media, which would stand at about one per cent of the price of a spot. In order for this system to benefit the entire industry, it requires the support of all the players and a belief that Kenya can lead the way in media development not only in Africa, but globally.

The nation's advertising activities can be more effective and provide a better return on investment when we bring our audience research into the 21st century and we can do this by employing an equitable funding model that provides robust daily data.

Mr Otin *is a digital marketing expert and CEO of The Collective - an interactive ad agency. He is also the President of PAMRO and the Chairman of the Advertising Standards Board of Kenya.*

The Market Place



Halakhe Waqo, the EACC chief executive. FILE

EACC boss urges professionals to support war on graft

Ethics and Anti-Corruption Commission's (EACC) chief executive Halakhe Waqo has urged professionals and the civil society to support the fight against corruption in the country.

"Anti-corruption is not solely the responsibility of the government, rather a campaign that should be embraced by all ranging from the private sector to religious groups, civil society and the public at large," said Mr Waqo. He made the remarks on Wednesday evening when he addressed members of the Institution of Certified Public Secretaries of Kenya (ICPSK) during the body's monthly governance forum.

He singled out accountants and lawyers saying they are key in the fight against the vice.

"From my experience in the commission every act of corruption must have at least one or both of the two professionals and it is an opportune time for professions represented in the ICPSK bracket to examine their role in shaping and mainstreaming integrity and good governance among our institutions," he said.

He asked for patience from the public to enable his body conduct investigations efficiently.

"It is not our mandate to convict. Investigations must be conducted within the stipulated procedures," he explained.

He challenged professionals and ICPSK in particular to give input to ensure that proper legislation is enacted to curb the vice. ICPSK Chairman Dr. Nicholas Letting concurred saying professionals had the duty to create understanding of the essence of good governance and integrity and also act as public watchdogs.

"This will in turn lead to among others, good stewardship of institutional resources, efficient application of resources for public good, improvement in people's standards of living, wealth creation and ultimately, sustainable development," explained Letting.



Prof Paul Tiyambe Zeleza, the new USIU-Africa vice chancellor. ROBERT NGUGI

Zeleza is new USIU-Africa VC after Brown's retirement

EDUCATION Inauguration of institution's fifth vice chancellor took place last Wednesday

BY ANNIE NJANJA

Paul Tiyambe Zeleza is the United States International University-Africa (USIU-Africa) new Vice Chancellor (VC) following the retirement of Prof Freida Brown who served the institution for 21 years.

The inauguration of the institution's fifth VC took place last Wednesday, an event that was graced by Ministry of Education, Science and Technology Cabinet Secretary Fred Matiang'i and the university's chancellor Manu Chandarana, among other guests.

Prof Zeleza previously served as Vice President of Academic Affairs and Professor of History at Quinnipac University, Hamden, Connecticut, which he joined after serving as Dean of the Bellarmine College of Liberal Arts. He also once served as the professor of History and African American studies at Loyola Marymount University.

In his acceptance speech Prof Zeleza said that during his three months stay at the university he noted various factors that make it a great learning institution.

Among the many factors was a strong sense of community, pursuit of academic excellence, promotion of students' career preparedness and community engagement, and commitment to a robust culture of strategic planning.

The VC said that he was looking forward to leading the university in offering the global educational experience that the founding President, Dr William Rust, envisioned 46 years ago.

An experience that will take the students and alumni places, here in Kenya, in Africa and anywhere in the world they live and work, he said.

"I have found a home, a place that cherishes diversity and inclusion, which holds a beacon to the possibilities of cultivating a common humanity from our splendid diversities of nationality, ethnicity, race, gender and religion. "I will continue cultivating that sense of being part of a community that sprouts from the opportunities that we provide our students to participate in service to society," he said.

Dr Matiang'i applauded USIU for paying attention when recruiting leaders and remaining one of the best universities in Kenya that have their eyes trained on dissemination of knowledge, training of manpower, research and innovation, and development and enhancement of character for good citizenship which are necessary pillars in the achievement of Kenya's Vision 2030.

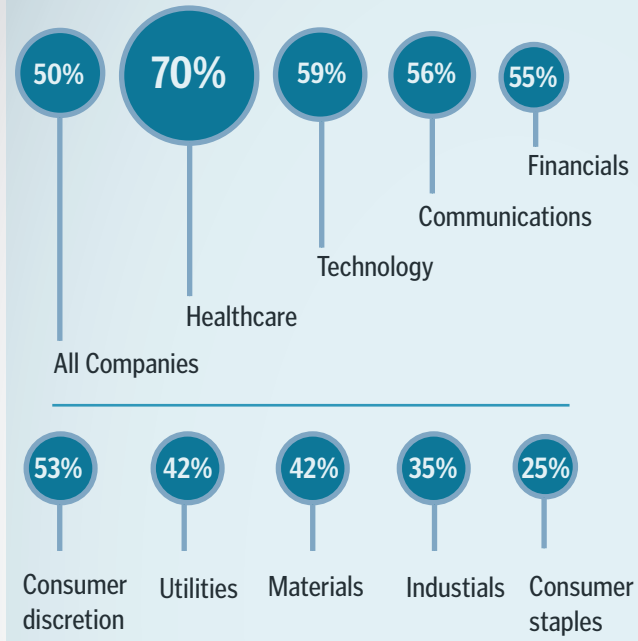
"For universities like USIU-Africa to meet their mandate of conducting research that will result in innovations and provide solutions to the current societal and environmental problems; for it to produce graduates who have the knowledge, skills and character to work and manage the various production sectors in our economy; and to continue to generate and disseminate knowledge that connects the past, the present and the future; there is need to pay close attention to the process of recruiting qualified leadership," he said.

MARKETPLACE INFORMATION

CORPORATE SOCIAL RESPONSIBILITY

Percentage of companies globally offering pro-bono programs by industry

Source: Giving in numbers 2015 edition



Top ten companies by education CSR spend

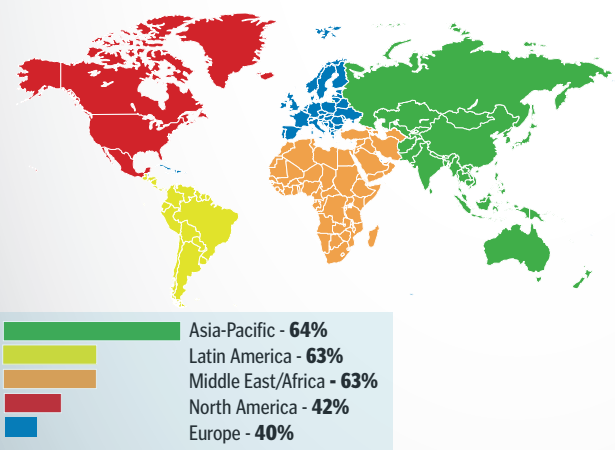
Source: Business Backs Education

Banco Santander	$196.5m
IBM	$144m
Telefonica	$129.9m
ExxonMobil	$115.5m
Target	$95.2m
GlaxoSmithKline	$86.6m
Microsoft	$86.5m
Toyota Motor	$83.5m
Rio Tinto Group	$81.6m
Wells Fargo	$81.6m

Benefits of CSR

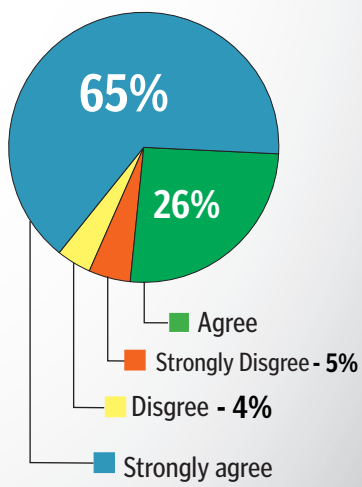
Source: Nielsen

55% of global online consumers are willing to pay more for products by companies that socially responsible.



Companies perception of CSR as a social concern

Source: International Journal of Economics, Commerce and Management



Change in Increase in Consumer Numbers after taking part in CSR

Very high increase-**8.7%**
High increase-**56.5%**
No change-**32.6%**
Very low decrease-**2.2%**

MONEY & MARKETS

PRICES I RESULTS I DATA

Mombasa tycoon building Sh1.5bn residential block in Westlands

BY DAVID HERBLING

The owner of Best Western Plus Creekside Hotel in Mombasa is putting up a luxurious residential block in Westlands with top-floor duplexes priced at Sh28 million each.

Mombasa businessman Amjad Rahim is building an 18-storey structure with 240 apartments scheduled to be completed in mid-2018 and featuring a convenient store, café, conference rooms, spa, indoor games and residences.

The Sh1.5 billion project, dubbed SkyNest, targets high-end homebuyers seeking comfy residences surrounded by amenities such as hotels, office suites, malls and located at the heart of a bustling urban centre. "The target market is the urban family who wishes to reside in the most happening and convenient location in Nairobi," said Mr Rahim. SkyNest sits on a one-acre plot located on Mkungu Close, opposite the Sarit Centre roundabout in Westlands, a suburb seen as a popular residential and entertainment destination for expatriates and deep-pocketed Kenyans.

Property mogul

The property mogul is also currently putting up an 11-storey hotel in Westlands to be managed by upscale brand Pullman.

Mr Rahim, through Elegant Properties Ltd, also owns Cowrie Shell Beach Apartments in Bamburi, Valley View Office Park in Muthaiga, and an upcoming holiday apartment in Diani named Golden Sand Resort. Areas such as Westlands and Kilimani offer high rental yields and have occupancy rates averaging 89 per cent, according to research by Cytonn Investments, making the areas popular for developers and buyers. Knight Frank reckons that the Kenyan market is increasingly embracing a "live-work-play" culture where people want to live near offices, shops and recreational spaces.



An artistic impression of SkyNest, Mombasa businessman Amjad Rahim's 18-storey building which will house 240 apartments upon completion. COURTESY

More efficiency

"When all you need is within easy reach, it means more efficiency," said the realtor in a December 2015 report, adding that it cuts time wasted in traffic jams, leads to higher productivity at work and more time with families and recreation.

The price tag for a one-bedroom apartment at SkyNest is Sh12.1 million and two bedroom units go for Sh14.3 million.

They will be located in the third to 15th floors. Luxurious three and four-bedroomed duplexes will be located on the 16th and 17th floors. The rooftop, on the 18th floor, will have a residents' lawn and party area with kitchenette, barbecue and buffet area for up to 600 people.

It will also house squash courts, a games room with table tennis and snooker, a heated swimming pool, gym and sauna.

Mr Rahim said the development will have three floors of parking, located on basement one to three, with a total of 250 bays.

The ground floor will have a café and resident's lounge, meeting facilities, a daycare centre, convenience store, spa and salon for residents.

There will be another two floors of parking complete with washrooms and showers for staff working for apartment owners and for businesses at the block.

REMUNERATION NIC Bank's staff pay rose by as much as 20 per cent while Equity's fell by 4.5 per cent

Staff costs rise as banks fight to slow down expenses

BY CHARLES MWANIKI

Banks registered a mixed trend in employee cost management last year even as they remained under pressure to manage costs and maintain the profit trajectory of recent years.

The recently released banking sector financial results show that among the top 10 banks by market share (which control 67 per cent of the total banking industry), the staff cost increases differed significantly, rising by as much as 20 per cent for NIC Bank and falling by 4.5 per cent in the case of Equity Bank.

The average cost increase for these lenders was about eight per cent. CBK data shows the industry average staff cost increase for 2014 stood at nine per cent, having gone up to Sh75.37 billion from Sh68.8 billion in 2013.

Equity Bank, which announced that its head count fell by 660 last year, saw its staff costs decline by to Sh10.29 billion from Sh10.77 billion in 2014. The only other top 10 lender to announce a fall in staff costs was National Bank of Kenya, from Sh3.7 to Sh3.6 billion. "We benefited from a four per cent drop in staff costs reduction because natural attrition saw 660 staff exit. This year we expect a reduction on staff cost by five per cent," said Equity Bank's chief executive James Mwangi when presenting the bank's financial results last month.

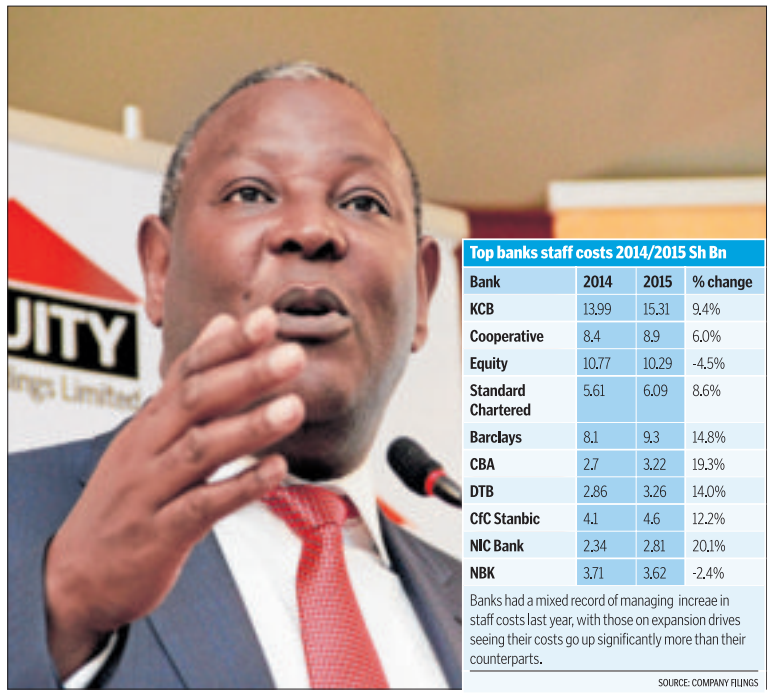
> Banks have embraced low-cost operating models such as agency banking and integration with mobile application platforms
>
> CYTONN INVESTMENTS REPORT

Among the six top-tier lenders, Commercial Bank of Africa had the largest staff cost increase at 19.1 per cent from Sh2.7 billion to Sh3.2 billion.

CBA, associated with the Kenyatta family, is the largest privately owned bank in Kenya with a presence in Uganda and Tanzania. The bank plans to be present in 16 markets in the next 10 years targeting Rwanda, Burundi, Ethiopia, South Sudan, the Democratic Republic of Congo, Malawi and Mozambique.

Barclays Bank saw its cost rise by 14.8 per cent to Sh9.3 billion, KCB's by 9.4 per cent to Sh15.31 billion while the staff costs of Standard Chartered rose by 8.6 per cent to Sh6.1 billion.

Cooperative Bank staff costs rose by 5.4 per cent to Sh8.9 billion even as the bank said staff numbers declined by 400 which saw the lender's total cost to income ratio improve to 24.5 per cent from 26.3 per cent.



Top banks staff costs 2014/2015 Sh Bn

Bank	2014	2015	% change
KCB	13.99	15.31	9.4%
Cooperative	8.4	8.9	6.0%
Equity	10.77	10.29	-4.5%
Standard Chartered	5.61	6.09	8.6%
Barclays	8.1	9.3	14.8%
CBA	2.7	3.22	19.3%
DTB	2.86	3.26	14.0%
CfC Stanbic	4.1	4.6	12.2%
NIC Bank	2.34	2.81	20.1%
NBK	3.71	3.62	-2.4%

Banks had a mixed record of managing increae in staff costs last year, with those on expansion drives seeing their costs go up significantly more than their counterparts.

SOURCE: COMPANY FILINGS

Mr James Mwangi, Equity Bank's chief executive. FILE

Improve profits

Banks have been turning to cost management in order to improve their profit margins and have increasingly been leaning on alternative banking channels as a means of reducing their personnel costs.

"Banks have embraced low-cost operating models such as agency banking, integration with mobile application platforms and internet banking. The use of alternative channels will reduce operating expenses and improve efficiency and will be a key driver for diversification," said Cytonn Investments in its 2015 banking report for the 2015 financial year.

Cooperative Bank in September last year started stationing agents inside its branches hoping to eventually woo customers from banking halls and encourage them to use alternative channels.

Family Bank on its part rolled out a campaign aimed at doubling the number of its agency banking merchants to 10,000 by yearend. The mid-tier bank is also looking to optimise service channels that include ATMs, mobile banking and Internet banking.

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NBK share takes serious beating at the stock market

BY CHARLES MWANIKI

National Bank of Kenya (NBK) took a beating at the stock market last week to close the worst performing counter as investors continued taking stock of the bank's poor full-year financial performance.

NBK was down 14.9 per cent for the week closing at Sh10 a share, the only counter with a double digit decline in an otherwise calm market where the main NSE 20 share index only declined by 0.07 per cent or three points to close at 3996 on Friday.

"National Bank was the leading loser as allegations of corporate governance issues surrounding it continue to loom," said Standard Investment Bank in a market summary.

NBK reported a full-year 2015 net loss of Sh1.2 billion, subsequently sending its managing director Munir Mohammed and five other managers on compulsory leave as questions arose over a spike in non-performing loans that only came to light in the last quarter of the year.

On Friday, Mr Mohammed was ordered to record a statement at Directorate of Criminal Investigation.

The other leading decliners were Eagaads, down 9.8 per cent to Sh23, and Crown Paints which closed the week 9.7 per cent lower at Sh56.

The Fahari I-Reit was down 9.1 per cent closing at its listing price of Sh20 as it shed previous week gains when it closed at Sh22.

On the other end, Britam was the top gainer in the market closing the week 20.7 per cent up at Sh13.10, followed by Atlas Africa Industries with a gain of 18.5 per cent to close at Sh1.60.

Treasury settles on merging NBK and two other banks

BANKING Move meant to make the institutions stronger, says Treasury secretary Henry Rotich



Treasury secretary Henry Rotich. FILE

BY GEOFFREY IRUNGU

State-owned banks will be consolidated into one or two institutions to make them stronger in coming months, Treasury secretary Henry Rotich has said.

The National Bank of Kenya (NBK), Consolidated Bank and the Development Bank of Kenya which are majority-owned by the government or quasi-state institutions are the targets of the consolidation.

> We will not tolerate rogue bankers; there is no room for people stealing depositors' money
>
> PATRICK NJOROGE
> CBK GOVERNOR

Mr Rotich said a consultant had been appointed and was currently working on the modalities of the consolidation. The expert is expected to advise the Treasury on the way forward soon. "We are making progress on the issue of consolidation because we now have a consultant who will soon be advising us on how to move. We expect to consolidate the state banks into one or two banks very soon," said Mr Rotich.

The CS further said that voluntary mergers and acquisitions in the banking industry will be encouraged as a way of strengthening the ensure institutions.

Mr Rotich was speaking at a press conference called by the Treasury last Friday in Nairobi to address concerns on the state of the banking industry following the collapse of Chase Bank. At the same meeting, Central Bank of Kenya (CBK) governor Patrick Njoroge said that market-led consolidation of banks would be a positive development.

"We welcome market-led mergers and acquisitions but we are not going to force it. We want it to be voluntary," said Dr Njoroge while giving reasons behind the closure of Chase Bank.

The governor said he hoped the crisis which has been exposed in some institutions so far will give some in the banking sector the impetus to consolidate.

"You can have new shareholders coming in as strategic investors, people with know-how and experience who can contribute to innovation in an institution," said Dr Njoroge last Wednesday.

The governor said that the CBK would not leave criminals to roam free in the banking system and cause the kind of problems experienced in several banks recently.

"We will not tolerate rogue bankers; there is no room for people who are stealing depositors' money; we will not take them through a kangaroo court but we will take action," said Dr Njoroge.

As of last Friday, the Directorate of Criminal Investigation had began investigations into the culpability or otherwise of the top executives and directors of problem banks following an order from Inspector-General of police Joseph Boinnet. Those lined up for interrogation were NBK's chief executive Munir Mohammed, executive director Boniface Biko, chief credit officer George Jaba, ICT director Mohammed Abdalla, acting chief finance officer Wycliffe Kivunira and the bank's chief finance officer Chris Kisire who had been suspended a year before his other colleagues.

Others to be interrogated were from the collapsed Chase Bank including former chairman Zafrullah Khan, commonly referred as Zafa, and former group managing director Duncan Kabui.

girungu@ke.nationmedia.com

Kenya tea prices edge towards historic lows

BY GERALD ANDAE

The price of tea has inched closer to a historic low witnessed in 2014 after shedding 21 per cent since January this year.

A kilogramme of the commodity fetched Sh205 in last week auction compared with Sh275 at the beginning of the year to move closer to Sh202, which was a six-year low in 2014.

The price of the beverage at the Mombasa Tea Auction has been on a losing streak in the last 14 auctions, reversing good prices realised last year.

This is likely to have a negative impact on farmers' earnings in the current financial year.

> We anticipate that volume of tea is going to decline and this will push up the price of the beverage
>
> ALFRED BUSOLO, AFFA DIRECTOR GENERAL

Agriculture Fisheries and Food Authority (AFFA) director-general Alfred Busolo though expresses optimism that the price is likely to pick up in the coming auctions as drought impacts on production.

"We anticipate that the volume of tea at the auction is going to decline as a result of the drought that was prolonged than usual and this will in turn push up the price of the beverage," said Mr Busolo. At last week's auction, the quantities offered for sale dipped by 136,000 kilogrammes from 8,343,079 to 8,207,000 kilos.

Out of 150,415 packages (9,474,359 kilos) available for sale, 126,006 (8,207,469kilos) were sold.

The Tea Directorate is scouting for new markets in order to increase demand for the Kenyan commodity.

Authorities are trying to open up new markets and expand the existing ones such as China, which has the potential to buy more of the local beverage and ring-fence farmers from low earnings.

Kenya's tea exports to Pakistan — the country's leading market for the beverage — grew by 10 per cent in 2015, controlling more than a quarter of the total commodity that traded at the Mombasa auction.

Data from the Tea Directorate indicates that Pakistan purchased 116 million kilogrammes of tea in 2015 compared to 105 million kilogrammes in the previous year.



The Mombasa tea auction: Prices have fallen since start of the year, a decline estimated at 21 per cent. FILE

Losing streak

- The Mombasa Tea Auction has witnessed losses in the last 14 sales, which is the reverse of the trend last year.
- Last week, a kilogramme of the commodity went for Sh205 compared to Sh275 at the start of the year.
- However, the fisheries and food authority is banking on drought to improve rates when supply drops.
- The tea directorate is working on getting new markets and expanding the existing to cushion farmers from losses tied to pricing.

The second major buyer, Egypt, registered a significant drop in purchases with the volumes bought dipping 24 per cent to 77 million kilogrammes last year compared to 101 million kilos in the previous year.

A weak shilling and higher prices helped lift tea exports 23 per cent to Sh125 billion last year despite a drop in output.

CBK promises punishment for errant bankers

Kenya's central bank governor promised on Friday to crack down on rogue bankers who put deposits at risk, a warning arising in part from the decision to place mid-tier lender Chase Bank Ltd under receivership.

"We cannot tolerate rogue bankers, those who in effect steal from depositors," governor Patrick Njoroge told a news conference, pledging to punish those who flout regulations.

National Treasury Cabinet Secretary Henry Rotich said on Friday that the country's financial system was very sound, a day after private-owned Chase Bank was put under receivership.

Mr Rotich told a news conference that the ministry was working closely with the central bank to isolate and contain the impact of two closed banks on the financial system, adding that three recent cases of bank receivership were isolated.

The police on Friday ordered arrest of former managers of National Bank and Chase Bank.

-REUTERS



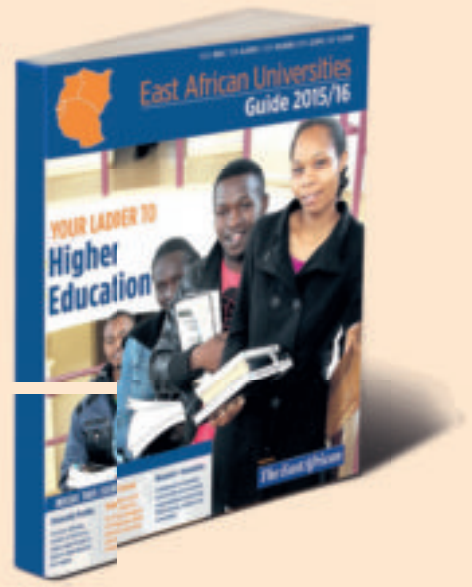
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MARKET DATA

Agro Commodities Market

Early Morning wholesale commodity prices Date 08.04.2016

COMMODITY	Unit	Kg	Nairobi	Mombasa	Kisumu	Nakuru	Eldoret	Ementi	Machakos	Kitale
CEREAL										
Dry Maize	Bag	90	2600	2300	3200	2300	2500	1800	2000	2300
Green Maize	Ext Bag	115	1800	5600	2500	1800	1800	1600		2500
Finger Millet	Bag	90	6100	6300	7200	5400	6750	9000		4500
Sorghum	Bag	90	3500	3000	3200	2700	5850	6000		3600
Wheat	Bag	90					3400			3600
LEGUMES										
Beans Canadian	Bag	90	6000		8000	5500			5800	5500
Beans Rosecoco	Bag	90	5900	5800	8000	5500	8550	4800	5600	5500
Beans Mwitemania	Bag	90	5800	4800		4800	8550	4800	5200	5500
Mwezi Moja	Bag	90	5700					5000		
Dolichos (Njahi)	Bag	90	13200	13950		12600	8100	12600		10800
Green Gram	Bag	90	9000	7650	11000	8100	9900	10800	1000	12600
Cowpeas	Bag	90	7200	2700	8200	9000	4500	3600	4000	7000
Fresh Peas	Bag	51	2800	1500	3000	2500	1780	2500	3000	3000
Groundnuts	Bag	110	13000	13200	10000	12100	11250			13200
ROOTS & TUBERS										
Red Irish Potatoes	Bag	50	2400	3100	2800	5000	2000	2400	3800	2200
White Irish Potatoes	Bag	50	2500	3600	2800	5000	1800	2400		3400
Cassava Fresh	Bag	99	2200	2100	2100			2300	2500	2200
Sweet Potatoes	Bag	98	3400	2900	2500	3500	2200	2300	6000	1800
VEGETABLES										
Cabbages	Ext Bag	126	1500	3000	900		1500	1800	800	1800
Cooking Bananas	Med Bunch	22	500	600	300	350	800	350	700	350
Carrots	Ext Bag	138	2800	3300	3500	1600	2000		2500	5600
Tomatoes	Lg Box	64	5800	6600	7000	4000	5600	3800	3500	6000
Onions Dry	net	13	950	850	1040	850	700	780		900
Spring Onions	Bag	142	2600	4000	2500	750	800	2130		3000
Chillies	Bag	38	2300	4200	1500	2500		1700		8000
Cucumber	Bag	50	2000	2000				3000		3000
Kales	Bag	50	1200	1000	1300	1100	1000	700	1000	1200
Capsicums	Bag	50	2500	3500	2800	2500	2000	3250	2500	4000
Brinjals	Bag	44	1980	1100	1500	1500		3000		2250
Cauliflower	crate	39	2340	2700		1000				
Lettuce	Bag	51	2000	2500						
FRUITS										
Passion Fruits	Bag	57	5130	5750	3000	5000	3420	3000		5500
Oranges	Bag	93	3000	3400		4400	3600	3500	3000	3200
Lemons	Bag	95	2800	3000	1700	2700		1700		3800
Ripe Bananas	Med Bunch	14	620	400	300	750	560	600	900	825
Mangoes Local	Bag	126	2500	2200	2500	3600	2400			2500
Mangoes Ngowe	Sm Basket	25	1100	1150	2100	500	700			
Limes	net	13	1170	1000						
Pineapples	Dozen	13	1040	840	650	480	1300	550	900	900
Pawpaw	Lg Box	54	1700	800	1300	2700	1890	600	2600	2450
Avocado	Bag	90	2300	3000	1800	2000	1700	1000	1800	1500
OTHERS										
Eggs	Tray	280	280	330	290	300	360	330	350	310

SOURCE: STATE DEPARTMENT OF AGRICULTURE. EMAIL MARKETINFO@KILIMO.GO.KE

MSCI Emerging Markets Sector Indices

NAME	LAST	NET.CHNG	PCT.CHNG	OPEN	HIGH	LOW	CLOSE
CI-UAE	377.35	11.31	3.09%	377.35	377.35	377.35	366.04
CI-AC AMER.	1,040.05	64.77	6.64%	1,040.05	1,040.05	1,040.05	975.28
CI-ARGENTINA	1,889.40	-70.08	-3.58%	1,889.40	1,889.40	1,889.40	1,959.49
CI-BRIC	477.37	47.45	11.04%	477.37	477.37	477.37	429.93
BRIC	223.46	28.87	14.84%	223.46	223.46	223.46	194.59
BRIC GROWTH	442.62	36.99	9.12%	442.62	442.62	442.62	405.63
BRIC VALUE	368.36	41.93	12.84%	368.36	368.36	368.36	326.43
CI-BAHRAIN	68.93	-6.13	-8.17%	68.93	68.93	68.93	75.06
CI-BRAZIL FREE	1,793.92	248.46	16.08%	1,793.92	1,793.92	1,793.92	1,545.46
CI-CHILE	4,130.18	220.71	5.65%	4,130.18	4,130.18	4,130.18	3,909.48
CI-CHINA FREE	56.56	5.90	11.65%	56.56	56.56	56.56	50.66
CI-COLOMBIA	2,247.26	161.95	7.77%	2,247.26	2,247.26	2,247.26	2,085.32
CI-CZECH REPUBLI	236.74	25.30	11.96%	236.74	236.74	236.74	211.44
CI-EAFE+EM	293.48	10.56	3.73%	293.48	293.48	293.48	282.92
CI-EU	432.45	8.50	2.00%	432.45	432.45	432.45	423.96
CI-EM	45,552.51	3426.69	8.13%	45,552.51	45,552.51	45,552.51	42,125.82
CI-EGYPT	1,528.19	260.75	20.57%	1,528.19	1,528.19	1,528.19	1,267.44
CI-AC EUROPE	469.41	8.19	1.78%	469.41	469.41	469.41	461.22
CI-C.FE	105.63	5.59	5.58%	105.63	105.63	105.63	100.04
CI-C.FE X JP	476.67	46.81	10.89%	476.67	476.67	476.67	429.86
CI-GOLD DRAGON	147.10	12.47	9.26%	147.10	147.10	147.10	134.63
CI-HUNGARY	1,251.90	161.35	14.80%	1,251.90	1,251.90	1,251.90	1,090.55
CI-INDON. FREE	5,824.29	116.96	2.05%	5,824.29	5,824.29	5,824.29	5,707.33
CI-INDIA	958.45	80.19	9.13%	958.45	958.45	958.45	878.26
CI-JOEG & MA	1,054.34	108.39	11.46%	1,054.34	1,054.34	1,054.34	945.96
CI-KOREA	538.61	27.38	5.36%	538.61	538.61	538.61	511.23
CI-KUWAIT	423.23	3.73	0.89%	423.23	423.23	423.23	419.50
CI-EM L.AMERICA	65,932.57	6341.42	10.64%	65,932.57	65,932.57	65,932.57	59,591.15
CI-SRI LANKA	554.87	-26.04	-4.48%	554.87	554.87	554.87	580.91
CI-MOROCCO	271.21	11.22	4.31%	271.21	271.21	271.21	259.99
CI-EM E.EUROPE	258.80	15.47	6.36%	258.80	258.80	258.80	243.33
CI-EM FAR EAST	559.59	39.35	7.56%	559.59	559.59	559.59	520.24
CI-EM ASIA	663.17	47.65	7.74%	663.17	663.17	663.17	615.52
CI-EM EUROPE	4,560.39	323.66	7.64%	4,560.39	4,560.39	4,560.39	4,236.74
CI-MEXICO FREE	43,588.79	2208.25	5.34%	43,588.79	43,588.79	43,588.79	41,380.54
CI-MALAYSIA FREE	600.61	24.44	4.24%	600.61	600.61	600.61	576.17
CI-OMAN	613.44	-15.02	-2.39%	613.44	613.44	613.44	628.46
CI-PERU	1,923.69	254.12	15.22%	1,923.69	1,923.69	1,923.69	1,669.57
CI-AC PAC.	114.31	5.85	5.40%	114.31	114.31	114.31	108.45
CI-PHILIPP.FREE	1,251.01	102.46	8.92%	1,251.01	1,251.01	1,251.01	1,148.56
CI-PAKISTAN	108.71	3.31	3.14%	108.71	108.71	108.71	105.40
CI-POLAND	612.77	91.06	17.46%	612.77	612.77	612.77	521.71
CI-QATAR	810.41	42.20	5.49%	810.41	810.41	810.41	768.21
CI-RUSSIA	834.73	35.23	4.41%	834.73	834.73	834.73	799.50
SOUTH EAST ASIA	721.00	62.06	9.42%	721.00	721.00	721.00	658.94
CI-THAILAND FREE	482.06	25.86	5.67%	482.06	482.06	482.06	456.20
CI-TURKEY	428.03	56.58	15.23%	428.03	428.03	428.03	371.45
CI-TAIWAN	322.42	15.47	5.04%	322.42	322.42	322.42	306.95
CI-ISRAEL	292.37	-10.56	-3.49%	292.37	292.37	292.37	302.93
CI-SOUTH AFRICA	1,347.16	113.26	9.18%	1,347.16	1,347.16	1,347.16	1,233.90

Commodities

Black market fuel



Lagos

A black market hawker fills a car with fuel on the side of the road in Lagos. Fuel dependant Nigeria has been in the grip of a scarcity for the last couple of weeks. AFP

Global Commodity Prices

Effective date: 8th April 2016

AGRO COMMODITIES

COMMODITY	CURRENCY	LAST	NET CHNG
SOFTS			
SUGAR NO5	USD	421.60	-0.70
COFFEE	USD	136.50	1.00
COCOA	USD	2,855.00	5.00
RUBBER	JPY	178.00	1.00
FROZEN OJ CON1	USC	143.55	-1.35
COTTON NO2	USC	59.37	0.34
GRAINS			
CORN	USC	361.5	0
MAIZE EUR	EUR	155.25	0.00
WHEAT	USC	459.75	2.75
ROUGH RICE	USD	9.84	-0.01
OILSEEDS			
SOY BEANS	USC	904.75	0.25
SOY BEAN OIL	USC	33.87	-0.23
CANOLA	CAD	481.40	-0.80
PALM OIL	MYR	2,264.00	-8.00

METALS & MINING

SYMBOL	CURRENCY	LAST	NET CHG
100 OZ GOLD	USD	1,234.00	-1.80
SILVER	JPY	53.00	0.00
HG COPPER	USC	2.07	-0.07
PLATINUM	JPY	3,353.00	1.00
ALUMINIUM	CNY	11,660.00	-70.00
PALLADIUM	JPY	1,886.00	-39.00

OIL& GAS

SYMBOL	CURRENCY	LAST	NET CHG
LIGHT CRUDE	USD	38.57	1.31
NO 2 HT OIL	USD	1.16	0.04
BRENT CRUDE	USD	40.75	1.32
GAS OIL	USD	341.75	18.25
NATURAL GAS	USD	2.03	0.01
KEROSINE	JPY	33,450.00	-320.00

SOURCE: THOMSON REUTERS

Unit Trusts

Effective date: 7th April 2016

MONEY MARKET FUND	CURRENCY	DAILY YIELD	EFFECTIVE ANNUAL RATE
OLD MUTUAL	SH	8.38%	8.71%
BRITISH AMERICAN	SH	11.10%	11.68%
UAP	SH	5.06%	5.19%
GENCAP HELA	SH		
PAN AFRICA PESA+	SH	14.56%	15.67%
MADISSON	SH	13.03%	13.84%
CBA	SH	9.97%	10.40%
AMANA	SH	14.13%	15.08%
STANLIB	SH	10.72%	11.26%
EQUITY MONEY MARKET FUND	SH	8.45%	8.78%
ZIMELE	SH	10.34%	10.75%
ICEA	SH	13.36%	14.29%
CIC	SH	11.91%	12.48%
NABO AFRICA	USD	99.60	99.60
APOLLO	SH	13.64	15.45
FIXED INCOME FUND	CURRENCY	BUY	SELL
GENCAP HAZINA	SH		
CIC	SH	9.75	10.00
NABO AFRICA	USD	93.97	93.97
BALANCED FUND			
OLD MUTUAL	SH	149.91	159.63
BRITISH AMERICAN	SH	177.42	182.60
GENCAP ENEZA	SH		
MADISSON	SH	56.97	60.11
PAN AFRICA CHAMA+	SH	11.11	11.45
AMANA	SH	126.62	126.62
STANLIB	SH	126.77	126.77
EQUITY BALANCED FUND FUND	SH	102.60	100.59
ZIMELE	SH	6.44	6.25
ICEA	SH	124.49	131.04
CIC	SH	12.29	12.87
NABO AFRICA	USD	102.97	102.97
APOLLO	SH	104.38	100.37
EQUITIES FUND			
OLD MUTUAL	SH	360.24	385.98
OLD MUTUAL EA FUND	SH	144.47	152.90
BRITISH AMERICAN	SH	183.58	189.42
CBA	SH	148.72	148.72
GENCAP HISA	SH	-	-
MADISSON	SH	43.61	46.30
AMANA	SH	126.63	126.63
STANLIB	SH	163.12	163.12
ICEA	SH	131.5	138.42
CIC	SH	12.63	13.29
NABO AFRICA	USD	98.24	98.24
BOND FUND			
OLD MUTUAL	SH	98.92	101.27
BRITISH AMERICAN	SH	133.55	136.27
UAP	SH	11.82	11.82
PAN AFRICA PATA+	SH	9.93	10.24
STANLIB FUND B1	SH	99.94	99.94
STANLIB FUND A	SH	99.57	99.57
ICEA	SH	92.61	93.55
SHARIAH COMPLIANT			
GENCAP IMAN	SH	-	-

Wall Street gains driven by rebound in oil prices

A strong rebound in oil pushed US stocks higher on Friday, while investors took comfort in Federal Reserve Chair Janet Yellen's positive comments on the economy.

Crude jumped more than six percent on rising hopes that top producers would agree to freeze output and positive economic indicators in the United States and Europe hinted at an increase in demand.

Yellen said on Thursday the US economy was on a solid course with some hints of inflation, putting the central bank on track for a gradual increase in interest rates this year.

New York Fed President William Dudley said a cautious and gradual approach to raising rates was appropriate, given lingering external risks to the US economy.

US stocks have been volatile through the week, with the S&P 500 down 1.5 per cent, as investors fretted over a cloudy outlook on rates and signs of weakness in the global economy.

Directionless

"The market's been directionless all week and there hasn't been any clear trend to speak of," Neil Massa, senior trader at John Hancock Asset Management in Boston.

"Right now, crude being up is helping the market go up."

Investors will now focus on the upcoming corporate earnings season. Profits at S&P 500 companies are expected to have declined 7.4 percent in the first quarter, according to Thomson Reuters data.

At 10:57 a.m. the Dow Jones industrial average was up 110.19 points, or 0.63 per cent, at 17,652.15, the S&P 500 .was up 13.84 points, or 0.68 per cent, at 2,055.75 and the Nasdaq Composite was up 24.13 points, or 0.5 per cent, at 4,872.50.All 10 major S&P sectors were higher, led by a 2.36 per cent rise in the energy sector . Chevron shares rose 1.8 per cent to $96.48, while Exxon) was up 1.1 per cent $83.30.

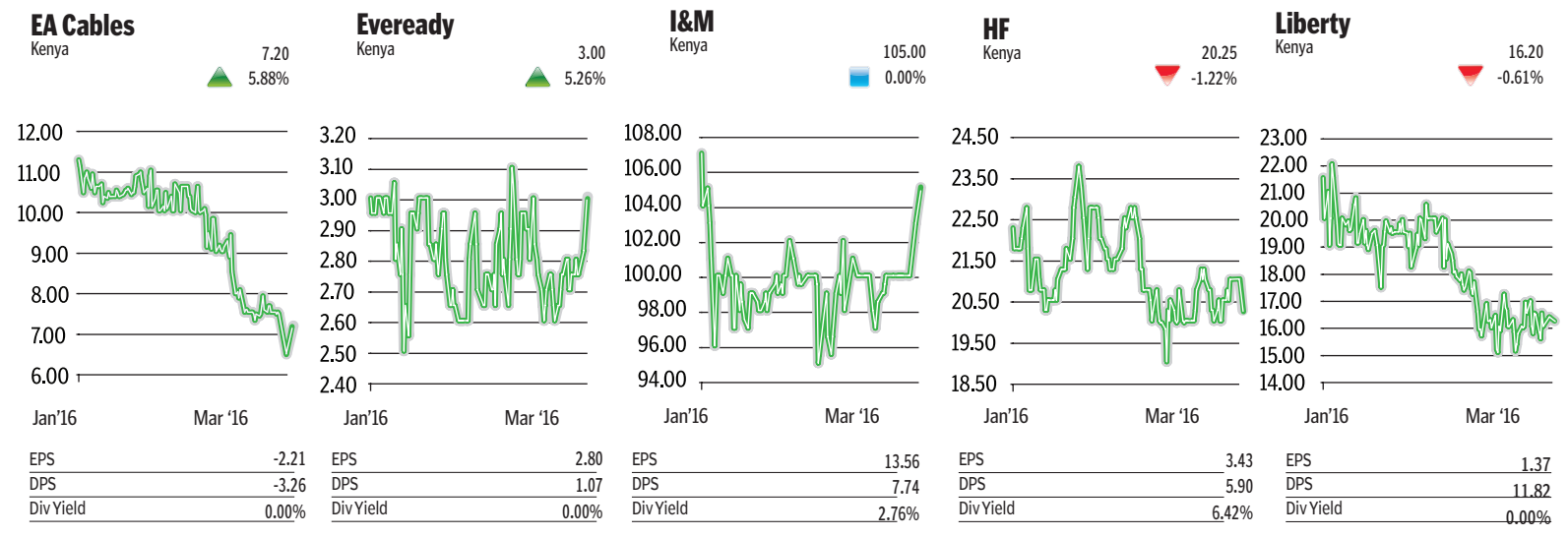
Boeing was up two per cent at $129.64, giving the biggest boost to the Dow. The company on Thursday said it had booked four orders for its 747-8 freighter, the first sales of the year for the plane.

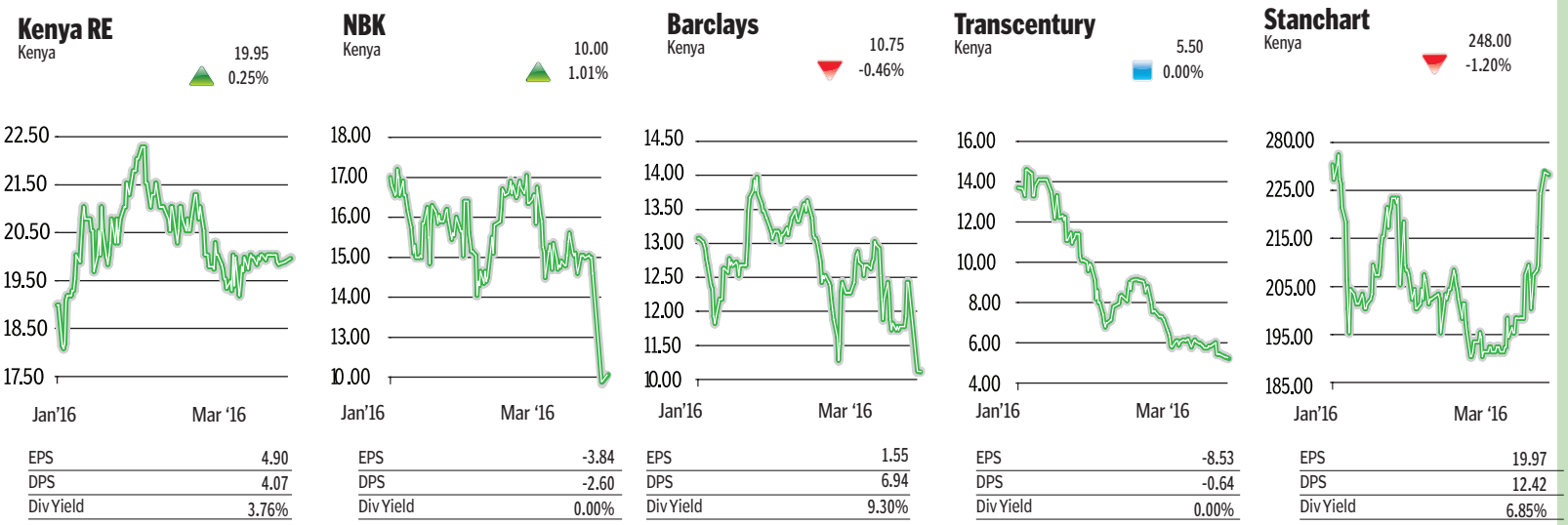
Depomed was up 12 per cent at $16.88 after investor Starboard criticized the drugmaker's board and urged it to explore a potential sale.

Gap shares were down 9.5 percent at $25.11 after the company's poor same-store sales for March.

REUTERS

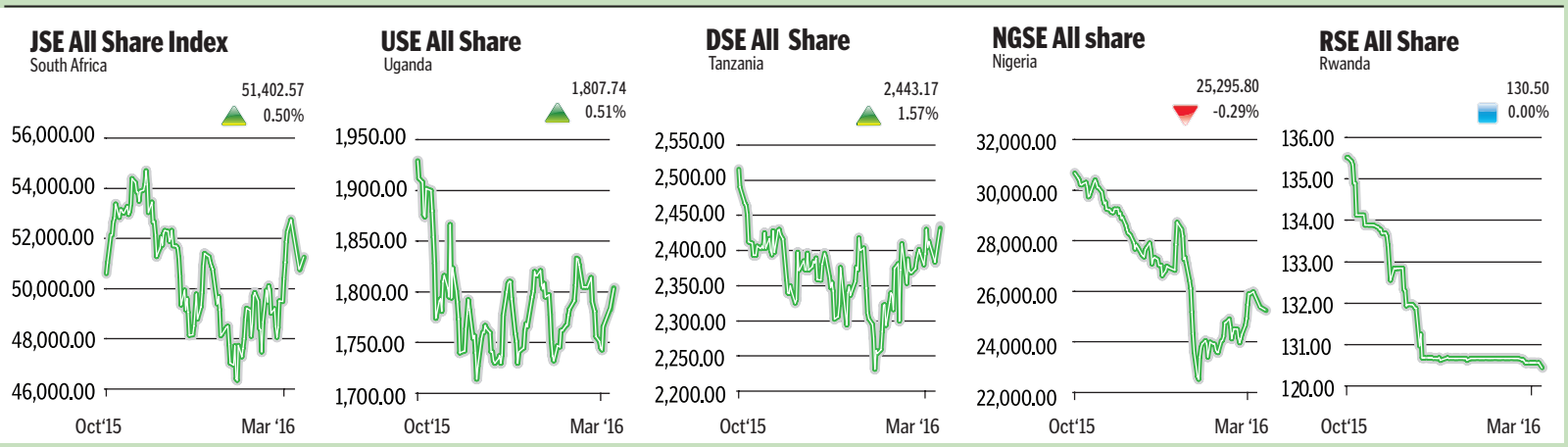
MOVERS & LOSERS YTD



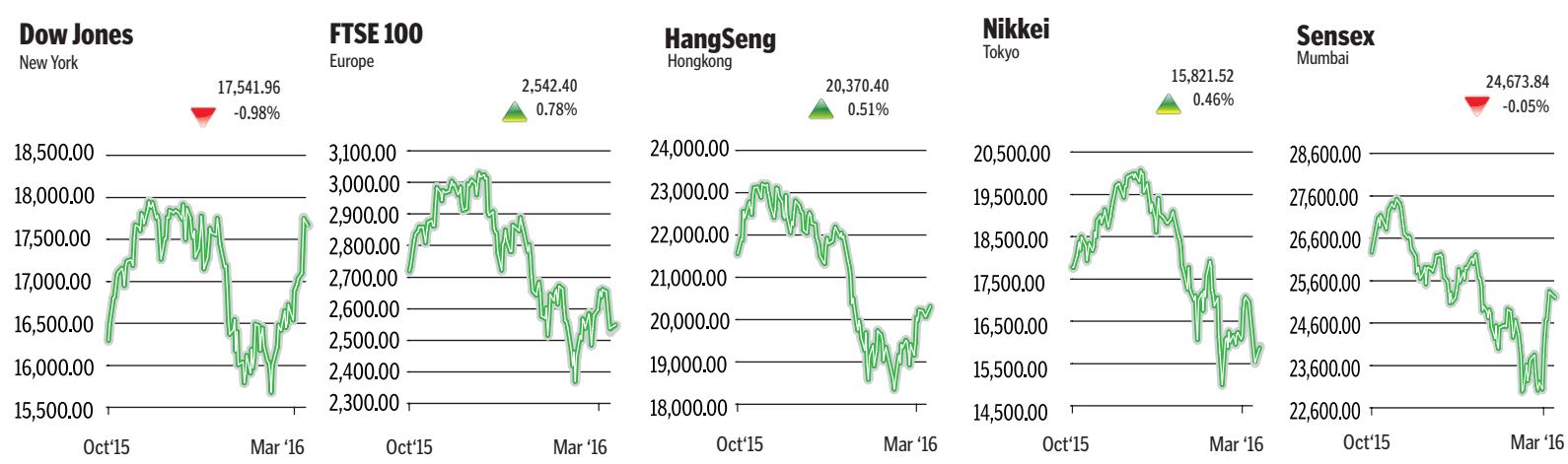


Tracking the markets: Benchmark Index (Latest Data) Africa

Africa



World



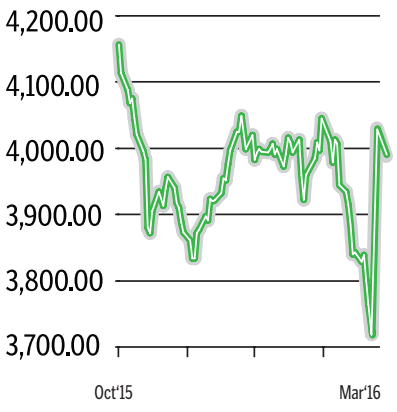
MARKET DATA

Nairobi Stocks

NSE 20 Share Index

Nairobi

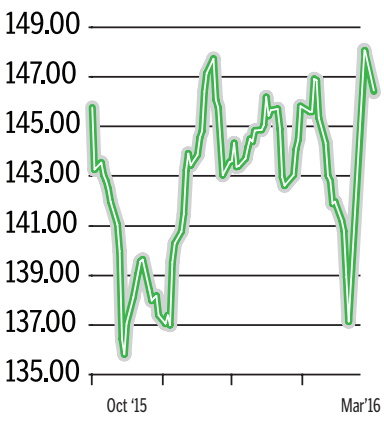
3,999.33
-1.36%



All Share Index (NASI)

Nairobi

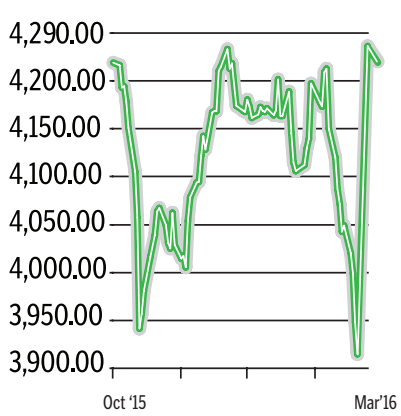
146.50
-0.64%



NSE 25 Share Index

Nairobi

4,219.04
-0.90%



Active Counters

Counter	Price Last Fri	Price Prev Fri	% Change	Total Shares Traded
Safaricom	16.75	16.85	-0.59%	35,850,500
Equity	40.25	40.00	0.63%	11,851,200
KCB	42.00	41.75	0.60%	6,055,700
ARM Cement ltd	29.00	30.25	-4.13%	2,301,000
Co-Op Bank	20.50	20.50	0.00%	1,972,000

Gainers

Counter	Price Last Fri	Price Prev Fri	net Change	% change
British American	13.10	10.85	2.25	20.74%
Atlas Dev.	1.60	1.35	0.25	18.52%
EA Cables	7.20	6.55	0.65	9.92%
BOC Gases	104.00	95.00	9.00	9.47%
Kakuzi	329.00	301.00	28.00	9.30%

Losers

Counter	Price Last Fri	Price Prev Fri	net Change	% change
NBK	10.00	11.75	-1.75	-14.89%
Eaagads AIMS	23.00	25.50	-2.50	-9.80%
Crown Berger	56.00	62.00	-6.00	-9.68%
STANLIB FAHARI I-REIT	20.00	22.00	-2.00	-9.09%
Olympia	4.00	4.35	-0.35	-8.05%

African Indices

NAME	LOCATION	LAST	NET.CHNG	PCT.CHNG	OPEN	HIGH	LOW	CLOSE
NSE 20 - SHR IDX	KENYA	3,999.33	-54.96	-1.36%	3,999.33	3,999.33	3,999.33	4,054.29
NSE 25	KENYA	4,219.04	-38.35	-0.90%	4,219.04	4,219.04	4,219.04	4,257.39
ALL SHARE INDEX	ZAMBIA	5,303.12	-212.63	-3.85%	5,515.75	5,515.75	5,272.81	5,515.75
ALL SHARE INDE/D	SOUTHAFRICA	51,402.57	255.75	0.50%	51,230.48	51,413.70	51,031.00	51,146.82
ALSIUG	UGANDA	1,807.74	9.09	0.51%	1,807.74	1,807.74	1,807.74	1,798.65
ZSE INDUSTRIAL	ZIMBABWE	97.92	0.17	0.17%	97.92	97.92	97.92	97.75
CFG INDEX	MOROCCO	20,321.48	-73.81	-0.36%	20,295.86	20,363.09	20,267.62	20,395.29
MALAWI ALL SHR	MALAWI	13,407.30	0.00	0.00%	13,407.30	13,407.30	13,407.30	13,407.30
NSE ALL SHARE/D	NIGERIA	25,295.80	-73.72	-0.29%	25,369.51	25,378.09	25,295.80	25,369.52
DSE ALL SHR IDX	TANZANIA	2,443.17	37.77	1.57%	2,443.17	2,443.17	2,443.17	2,405.40
EGX 30 IDX/D	EGYPT	7,478.74	18.90	0.25%	7,459.84	7,480.15	7,408.89	7,459.84
TUN MAIN INDEX	TUNISIA	5,407.20	-6.69	-0.12%	5,416.62	5,421.27	5,399.28	5,413.89
RSE ALLSHARE IND	RWANDA	130.50	0.00	0.00%	130.50	130.50	130.50	130.50

Weekly Share Report

	52 WK HIGH	52 WK LOW	YTD %	PRICE (KSH) APR-08-2016	PRICE (KSH) APR-01-2016	WEEKLY PRICE CHANGE	SHARES TRADED LAST WEEK	SHARES ISSUED	MKT CAP. KSHS MN	EPS LATEST 12MNTH	P / E TRAILING	P/B TRAILING	DPS LATEST 12MNTH	TOTAL DIVIDEND YIELD
AGRICULTURAL														
EAAGADS AIMS	38.50	18.10	-14.02%	23.00	25.50	-9.80%	13,400	32,157,000	739.61	0.25	92.00	1.84	0.00	0.00%
KAKUZI	383.00	255.00	3.79%	329.00	301.00	9.30%	5,400	19,599,999	6,448.40	26.92	12.22	2.22	5.00	1.52%
KAPCHORUA TEA AIMS	242.00	86.00	-55.00%	90.00	94.00	-4.26%	1,000	7,824,000	704.16	-5.82	-15.46	0.26	5.00	5.56%
LIMURU TEA AIMS	1248.00	681.00	-26.36%	799.00	799.00	0.00%	-	1,800,000	1,438.20	1.22	-	3.89	1.00	0.13%
SASINI	23.25	14.00	2.30%	19.35	19.00	1.84%	45,000	228,055,500	4,412.87	2.21	8.76	0.33	1.25	6.46%
WILLIAMSON TEA AIMS	435.00	162.00	-52.08%	186.00	183.00	1.64%	5,600	17,512,640	3,257.35	23.77	7.82	0.26	40.00	21.51%
AUTOMOBILES & ACCESSORIES														
CAR & GEN	50.00	34.00	-13.92%	34.00	34.00	0.00%	1,000	40,103,308	1,363.51	0.76	44.74	0.65	0.00	0.00%
MARSHALLS	13.50	10.15	-23.11%	10.15	10.15	0.00%	-	14,393,106	146.09	-11.90	-0.85	0.37	0.00	0.00%
SAMEER	6.00	3.30	-6.67%	3.35	3.45	-2.90%	55,000	278,342,393	932.45	-0.06	-55.83	0.40	0.00	0.00%
BANKING														
BARCLAYS	16.80	10.50	-20.59%	10.75	10.95	-1.83%	1,158,400	5,431,536,000	58,389.01	1.55	6.94	1.80	1.00	9.30%
CFC STANBIC	129.00	71.00	12.12%	93.50	94.00	-0.53%	117,700	395,321,638	36,962.57	12.41	7.53	1.60	6.15	6.58%
DTBK	244.00	176.00	12.30%	210.00	214.00	-1.87%	35,300	220,100,096	46,221.02	19.80	10.61	1.75	2.50	1.19%
EQUITY	51.00	36.50	1.88%	40.25	40.00	0.63%	11,851,200	3,773,674,802	151,890.41	4.59	8.77	2.20	2.00	4.97%
HF	38.00	18.80	-7.87%	20.25	20.00	1.25%	123,900	352,416,667	7,136.44	3.43	5.90	0.78	1.30	6.42%
I&M HOLDINGS	139.00	95.00	5.00%	105.00	103.00	1.94%	410,300	392,362,039	41,198.01	13.56	7.74	1.88	2.90	2.76%
KCB	65.50	37.00	-2.86%	42.00	41.75	0.60%	6,055,700	3,025,219,832	127,059.23	6.49	6.47	1.64	2.00	4.76%
NBK	24.50	8.00	-37.14%	10.00	11.75	-14.89%	206,800	308,000,000	3,080.00	-3.84	-2.60	0.23	0.00	0.00%
NIC BANK	61.00	35.00	-6.36%	39.50	40.25	-1.86%	118,300	639,945,603	25,277.85	6.86	5.76	1.11	1.25	3.16%
STAN. CHART.	355.00	183.00	28.72%	248.00	247.00	0.40%	163,200	309,159,514	76,671.56	19.97	12.42	1.82	17.00	6.85%
CO-OP BANK	23.00	15.85	13.89%	20.50	20.50	0.00%	1,972,000	4,889,316,295	100,230.98	2.14	9.58	2.29	0.80	3.90%
COMMERCIAL														
ATLAS DEV. GEMS	12.10	1.35	-28.57%	1.60	1.35	18.52%	1,246,400	1,497,370,885	2,395.79	-2.53	-0.63		0.00	0.00%
EXPRESS (K) AIMS	6.00	3.80	-4.44%	3.90	4.00	-2.50%	2,800	35,403,790	138.07	-2.18	-1.79	0.70	0.00	0.00%
HUTCHINGS BIEMER	20.25	20.25	0.00%	20.25	20.25	0.00%	-	360,000	7.29	-18.34	-1.10	-	0.00	0.00%
KQ	7.95	4.05	-9.18%	4.40	4.50	-2.22%	494,900	1,496,469,035	6,584.46	-13.35	-0.33	1.23	0.00	0.00%
LONGHORN PUBLISHERS AIMS	8.70	3.70	17.78%	5.00	5.25	-4.76%	62,000	243,750,000	1,218.75	7.00	0.71	0.67	0.15	3.00%
NATION MEDIA	245.00	130.00	-7.33%	174.00	174.00	0.00%	57,600	188,542,286	32,806.36	11.80	14.75	3.71	10.00	5.75%
STANDARD GRP	40.50	24.50	3.57%	29.00	29.50	-1.69%	3,500	81,731,808	2,370.22	2.95	9.83	1.14	0.00	0.00%
TPS EA	38.50	22.50	0.00%	24.50	25.00	-2.00%	16,500	182,174,108	4,463.27	1.35	18.15	0.41	1.35	5.51%
UCHUMI	11.50	4.80	-54.79%	5.20	5.10	1.96%	163,700	364,959,616	1,897.79	-10.85	-0.48	0.47	0.00	0.00%
WPP SCANGROUP	50.00	22.50	4.17%	29.25	30.25	-3.31%	43,100	378,865,102	11,081.80	1.50	19.50	1.22	0.00	0.00%
CONSTRUCTION & ALLIED														
ARM CEMENT LTD	83.00	28.25	-28.14%	29.00	30.25	-4.13%	2,301,000	495,275,000	14,362.98	3.01	9.63	1.30	0.60	2.07%
BAMBURI	200.00	135.00	10.86%	190.00	194.00	-2.06%	381,300	362,959,275	68,962.26	14.49	13.11	2.29	13.00	6.84%
CROWN BERGER	187.00	52.50	-8.20%	56.00	62.00	-9.68%	8,200	71,181,000	3,986.14	9.01	6.22	0.98	1.75	3.13%
EA CABLES	17.00	5.90	-35.85%	7.20	6.55	9.92%	113,700	253,125,000	1,822.50	-2.21	-3.26	0.76	0.00	0.00%
EAPC	65.00	38.25	-3.74%	45.00	45.00	0.00%	900	90,000,000	4,050.00	79.52	0.57	0.84	0.00	0.00%
ENERGY & PETROLEUM														
KENGEN	11.65	5.40	11.97%	7.95	7.55	5.30%	1,754,500	2,198,361,456	17,476.97	5.24	1.52	0.19	0.65	8.18%
KENOLKOBIL	11.60	7.55	14.06%	10.90	11.25	-3.11%	296,900	1,471,761,200	16,042.20	1.37	7.96	2.27	0.35	3.21%
KENYA POWER	18.50	10.70	-17.42%	10.75	10.85	-0.92%	1,015,800	1,951,467,045	20,978.27	3.81	2.82	0.41	0.30	2.79%
TOTAL	26.25	16.20	5.75%	19.20	18.90	1.59%	44,900	175,028,706	3,360.55	2.57	7.47	0.22	0.77	4.01%
UMEME	24.00	16.00	-19.10%	18.00	16.50	9.09%	1,164,300	1,623,878,005	29,229.80	1.34	13.43	2.10	0.90	5.00%
INSURANCE														
BRITISH AMERICAN	27.00	10.00	2.69%	13.10	10.85	20.74%	1,815,200	1,938,415,838	25,393.25	1.31	10.00	1.23	0.30	2.29%
CIC INSURANCE	10.10	5.25	-7.26%	5.75	5.95	-3.36%	608,700	2,615,538,528	15,039.35	0.43	13.37	2.06	0.10	1.74%
JUBILEE	600.00	384.00	-4.13%	463.00	471.00	-1.70%	13,100	59,895,000	27,731.39	42.70	10.84	1.73	8.50	1.84%
KENYA RE	22.75	15.45	-5.24%	19.95	20.00	-0.25%	677,900	699,949,068	13,963.98	4.90	4.07	0.65	0.75	3.76%
LIBERTY KENYA	28.00	15.00	-16.41%	16.20	16.10	0.62%	30,700	535,707,499	8,678.46	1.37	11.82	1.49	0.00	0.00%
PAN AFRICA	128.00	36.00	-33.75%	37.25	40.00	-6.88%	24,000	144,000,000	5,364.00	-0.43	-86.63	1.07	0.00	0.00%
INVESTMENT														
CENTUM INVEST.	68.00	40.00	-2.15%	45.25	45.25	0.00%	236,200	665,441,775	30,111.24	10.44	4.33	0.92	0.00	0.00%
HOME AFRICA GEMS	3.65	1.20	-34.62%	1.75	1.85	-5.41%	324,500	405,255,320	709.20	-0.04	-43.75	-	0.00	0.00%
KURWITU VENTURES LTD GEMS	1500.00	1500.00	0.00%	1500.00	1500.00	0.00%	-	102,272	153.41	-62.40	-24.04		0.00	0.00%
OLYMPIA	6.00	3.90	-16.67%	4.00	4.35	-8.05%	24,000	40,000,000	160.00	-1.04	-3.85	0.20	0.00	0.00%
TRANSCENTURY AIMS	18.80	5.00	-33.33%	5.50	5.20	5.77%	164,100	280,284,476	1,541.56	-8.53	-0.64	0.42	0.00	0.00%
INVESTMENT SERVICES														
NAIROBI SECURITIES EXCHG	30.25	18.00	8.08%	26.50	27.25	-2.75%	570,700	194,625,000	5,157.56	1.57	16.88	3.32	0.49	1.85%
MANUFACTURING & ALLIED														
A. BAUMANN AIMS	11.10	11.10	0.00%	11.10	11.10	0.00%	-	3,840,066	42.62	-2.02	-5.50	-	0.00	0.00%
BOC GASES	148.00	90.00	-1.96%	104.00	95.00	9.47%	2,900	19,525,446	2,030.65	7.61	13.67	1.16	5.20	5.00%
BAT KENYA	860.00	670.00	1.91%	800.00	849.00	-5.77%	311,100	100,000,000	80,000.00	49.76	16.08	10.48	49.50	6.19%
CARBACID	24.00	12.80	-9.20%	16.00	14.95	7.02%	109,400	254,851,988	4,077.63	1.55	10.32	2.47	0.70	4.38%
EABL	340.00	245.00	4.40%	280.00	283.00	-1.06%	1,512,300	790,774,356	221,416.82	11.31	24.76	6.89	6.00	2.14%
EVEREADY EA	4.95	2.35	5.56%	3.00	2.85	5.26%	119,100	210,000,000	630.00	2.80	1.07	1.95	0.00	0.00%
FLAME TREE GEMS	10.20	5.70	7.14%	7.55	7.55	0.00%	75,800	161,866,804	1,222.09	0.99	7.63	3.04	0.00	0.00%
K. ORCHARDS AIMS	115.00	97.00	-1.02%	97.00	97.00	0.00%	-	12,868,124	1,248.21	0.33	293.94	-54.80	0.00	0.00%
MUMIAS	3.20	1.35	-12.50%	1.45	1.35	7.41%	1,182,000	1,530,000,000	2,218.50	-3.04	-0.48	0.17	0.00	0.00%
UNGA	50.00	30.50	12.59%	37.50	35.25	6.38%	30,300	75,708,873	2,839.08	5.27	7.12	0.61	1.00	2.67%
TELECOMMUNICATION & TECHNOLOGY														
SAFARICOM	17.90	12.60	2.76%	16.75	16.85	-0.59%	35,850,500	40,065,428,000	671,095.92	0.80	20.94	6.37	0.64	3.82%
REAL ESTATE INVESTMENT TRUST														
STANLIB FAHARI I-REIT	23.75	19.00		20.00	22.00	-9.09%	43,100	180,972,300	3,619.45	0.00			0.00	0.00%

GEMS AIMS

MARKET UPDATES

Equities & Bonds

Share Price Performance Scorecard

SCORECARD AS AT 08TH APRIL 2016

NAME	PREVIOUS	CLOSE	% 1D	% 5D	% 1M	% 3M	% 6M	% 1Y
A BAUMANN	11.10	11.10	0.00	0.00	0.00	0.00	0.00	0.00
ATLAS DEVPNT & SPPRT SERV	1.50	1.60	6.67	18.52	0.00	-28.89	-48.39	-85.84
ATHI RIVER MINING	30.00	29.00	-3.33	-4.13	-9.38	-26.11	-27.04	-63.29
BAMBURI	194.00	190.00	-2.06	-2.06	-2.06	8.57	21.02	27.52
BARCLAYS KEN	10.80	10.75	-0.46	-1.83	-11.89	-17.31	-15.69	-34.65
BAT KENYA	800.00	800.00	0.00	-5.77	2.30	0.00	5.54	0.13
BOC KENYA	100.00	104.00	4.00	9.47	14.29	9.47	-7.14	-21.80
BRITISH AMERICAN	13.35	13.10	-1.87	20.74	9.62	0.77	-16.56	-47.60
CAR & GENERAL	34.00	34.00	0.00	0.00	-12.26	-13.92	-15.00	-31.31
CARBACID INV	14.80	16.00	8.11	7.02	7.38	-1.23	7.38	-22.89
CENTUM INV	45.50	45.25	-0.55	0.00	-0.55	-2.69	-9.05	-25.21
CFC STANBIC BANK	92.50	93.50	1.08	-0.53	11.31	14.72	3.89	-25.79
CIC INSURANCE	5.75	5.75	0.00	-3.36	-4.17	-4.96	-15.44	-39.47
CO-OP BANK	20.50	20.50	0.00	0.00	5.94	19.53	16.81	-2.38
CROWN BERGER	56.00	56.00	0.00	-9.68	-9.68	1.82	-11.81	-52.94
DIAMOND KEN	210.00	210.00	0.00	-1.87	1.94	10.53	5.00	-10.26
EA CABLES	6.80	7.20	5.88	9.92	-3.36	-28.00	-34.25	-53.99
EA PORT CEM	45.00	45.00	0.00	0.00	4.65	-10.00	-10.00	-24.37
EAAGADS	23.00	23.00	0.00	-9.80	13.58	-8.00	-17.86	-33.33
EA AFR BREW	285.00	280.00	-1.75	-1.06	-0.71	-2.78	5.26	-13.58
EQUITY BANK	40.75	40.25	-1.23	0.63	-1.23	4.55	-10.56	-18.69
EVEREADY EA	2.85	3.00	5.26	5.26	13.21	9.09	0.00	-18.92
EXPRESS KEN	4.30	3.90	-9.30	-2.50	-13.33	-13.33	-7.14	-30.97
FLAME TREE HLDNGS	7.50	7.55	0.67	0.00	2.03	6.34	8.63	-18.82
G WILLIAMSON	184.00	186.00	1.09	1.64	-2.11	-52.55	-53.03	-33.57
HUTCHINGS BIEMER	20.25	20.25	0.00	0.00	0.00	0.00	0.00	0.00
HOME AFRICA LIMITED	1.70	1.75	2.94	-5.41	-5.41	2.94	0.00	-50.00
HOUSING FIN	20.50	20.25	-1.22	1.25	-2.41	-10.00	-7.95	-43.36
I&M HOLDING	105.00	105.00	0.00	1.94	5.00	9.95	1.94	-21.26
JUBILEE HLDS	464.00	463.00	-0.22	-1.70	-3.34	-5.51	-8.13	-18.91
KAKUZI	329.00	329.00	0.00	9.30	6.47	-0.90	2.81	17.50
KAPCHORUA	90.00	90.00	0.00	-4.26	-3.74	-59.82	-50.55	-30.77
KEN ORCHARDS	97.00	97.00	0.00	0.00	0.00	-1.02	-3.00	-13.39
KENGEN	7.95	7.95	0.00	5.30	0.63	16.06	-3.64	-25.35
KENYA AIRWAYS	4.45	4.40	-1.12	-2.22	0.00	-5.38	-18.52	-40.94
KENYA COM BK	42.50	42.00	-1.18	0.60	2.44	1.20	-6.15	-31.71
KENOLKOBIL	10.95	10.90	-0.46	-3.11	3.32	22.47	21.11	20.44
KENYA POWER	10.90	10.75	-1.38	-0.92	-6.93	-16.67	-28.09	-37.86
KENYA RE	19.90	19.95	0.25	-0.25	0.00	-3.86	4.72	6.97
KURWITU	1500.00	1500.00	0.00	0.00	0.00	0.00	0.00	0.00
LIBERTY HOLDINGS	16.30	16.20	-0.61	0.62	1.57	-14.96	-26.36	-35.20
LIMURU TEA	799.00	799.00	0.00	0.00	-4.88	-26.36	-26.36	-19.54
LONGHORN	5.30	5.00	-5.66	-4.76	-9.09	-3.85	-21.88	-40.48
MARSHALL	10.15	10.15	0.00	0.00	-18.80	-23.11	-18.80	-14.71
MUMIAS SUGAR	1.40	1.45	3.57	7.41	-3.33	-12.12	-21.62	-36.96
NAIROBI SECURITIES	26.75	26.50	-0.93	-2.75	13.98	11.58	23.26	35.55
NATION MEDIA	177.00	174.00	-1.69	0.00	-3.33	-1.14	21.68	-27.50
NATL BANK KEN	9.90	10.00	1.01	-14.89	-33.33	-39.39	-41.00	-58.33
NIC BANK	40.50	39.50	-2.47	-1.86	-1.86	-7.06	-3.66	-30.70
OLYMPIA CAPITAL	4.00	4.00	0.00	-8.05	-4.76	-4.76	-13.98	-28.57
PAN AFR INS	39.75	37.25	-6.29	-6.88	-32.27	-36.86	-40.40	-69.21
SAFARICOM	16.75	16.75	0.00	-0.59	1.52	2.13	13.95	5.02
SAMEER AFRICA	3.50	3.35	-4.29	-2.90	-9.46	-12.99	-14.10	-39.64
SASINI	20.00	19.35	-3.25	1.84	0.52	8.40	20.94	28.15
STANLIB FAHARI I-REIT	20.50	20.00	-2.44	-9.09	0.00	-3.61	#DIV/0!	#DIV/0!
WPP SCANGROUP	31.25	29.25	-6.40	-3.31	8.33	-1.68	0.86	-33.90
STANDARD GRP	29.00	29.00	0.00	-1.69	1.75	-6.45	-14.71	-17.14
STD CHART KEN	251.00	248.00	-1.20	0.40	25.25	21.57	9.73	-26.19
TOTAL KENYA	19.30	19.20	-0.52	1.59	14.63	5.21	-2.54	-23.20
TPS (EA)	25.00	24.50	-2.00	-2.00	-2.97	-2.00	-14.04	-28.47
TRANSCENTURY	5.50	5.50	0.00	5.77	-5.98	-38.89	-62.07	-69.86
UCHUMI SUPER	4.95	5.20	5.05	1.96	-6.31	-45.26	-48.00	-49.76
UNGA GROUP	38.00	37.50	-1.32	6.38	4.90	7.14	-10.71	-12.79

Weekly Corporate Bonds

APRIL 8, 2016 — BONDS LISTED AT THE NAIROBI SECURITIES EXCHANGE

ISSUE NO.	ISSUE DATE	MATURITY DATE	ISSUED VALUE IN MILLIONS	COUPON (%)	TOTAL VALUE (KSH)	NUMBER OF TRADES
CORPORATE BONDS						
CENTUM BOND SENIOR UNSECURED FIXED RATE AND EQUITY LINKED NOTES						
CTNB.BD.18.09.17/13.50	26-09-12	18-09-17	2,917.10	13.500		
CTNB.BD.18.09.17/12.75	26-09-12	18-09-17	1,250.80	12.750		
CTNB.BD.08.06.20/13	15-06-15	8-06-20	3,899.22	13.000		
CTNB.BD.08.06.20/12.5	15-06-15	8-06-20	2,100.77	12.500		
CTNB.BD.08.06.20/12.5V	15-06-15	8-06-20	2,100.77			
CONSOLIDATED BANK OF KENYA LTD MEDIUM TERM NOTE PROGRAMME						
CON.BD-FXD(SN)/2012/7YR	30-06-12	24-07-19	1480.60	13.250		
CON.BD-FXD(SBN)/2012/7YR	30-06-12	24-07-19	1965.00	13.600		
CON.BD-FR(SN)/2012/7YR	30-06-12	24-07-19	1.00			
SHELTER AFRIQUE MEDIUM TERM UNSECURED NOTES						
FXD (SHELTER AFRIQUE) /2013/5YR	30-09-13	28-09-18	4,239.70	12.750		
FR (SHELTER AFRIQUE) /2013/5YR	30-09-13	28-09-18	760.30	11.000		
MRM						
FR (MRM) 2008/8YR	27-10-08	3-01-17	13,785			
FXD (MRM) 2008/8YR	27-10-08	3-01-17	6,215	13.000		
CFC STANBIC BANK SENIOR & SUBORDINATED BOND ISSUE						
FR (CFC STANBIC) 2009/7YR	7-07-09	7-07-16	9,790			
FXD (CFC STANBIC) 2009/7YR	7-07-09	7-07-16	24,020	12.500		
KENGEN PUBLIC INFRASTRUCTURE BOND OFFER 2019						
FXIB 1/2009/10YR	2-11-09	31-10-19	15,625.00	12.500	2,800,000	1
HOUSING FINANCE MEDIUM TERM NOTE						
FXD (HFCK) 02/2012/7YR 2ND TRANCHE	22-10-12	14-10-19	2,969.10	13.000		
FR (HFCK) 2010/7YR	26-10-10	2-10-17	1,167			
FXD (HFCK) 2010/7YR	26-10-10	2-10-17	5,864	8.500		
I&M MEDIUM TERM NOTE						
FRN I&M-01/13/5.25	13-12-13	8-03-19	3,429	(182+2%)		
FXD I&M-01/13/5.25	13-12-13	8-03-19	22612.800			
BRITAM MEDIUM TERM NOTE						
BRTB.BD.22/07/19-0037-13	22-07-14	15-07-19	6,000	13.000		
UAP HOLDINGS MEDIUM TERM NOTE						
UAP.BD.22.07.2019	28-07-14	22-07-19	2000.00	13.000		
NIC MEDIUM TERM NOTE						
NIC.BD.09/09/19-0039-12.5	8-09-14	9-09-19	5514.00	12.500		
CIC INSURANCE GROUP LTD. MEDIUM TERM NOTE						
CIC.BD.2.10.2019	8-10-14	2-10-19	5000.00	13.000		
CFC BANK MULTICURRENCY FIXED MEDIUM TERM NOTE						
CFCB.BD.08/12/21-0042-12.95	15-12-14	8-12-21	5080.00	12.950		
CBA FIXED MEDIUM TERM NOTE						
CBAB.BD.14/12/20-0041-12.75	22-12-14	14-12-20	7000.00	12.750		
EABL FIXED MEDIUM TERM NOTE						
EABB.BD.19/03/18-0043-12.25	23-03-15	19-03-18	5000.00	12.250		
CHASE BANK FIXED MEDIUM TERM NOTE						
CHBD.BD.02/06/22-0044-13.5	10-06-15	2-06-22	4822.40	13.250		
REAL PEOPLE MEDIUM TERM NOTE						
RPBD.BD.06/08/18-0046-13.65	10-08-15	6-08-18	270.30	13.650		
RPBD.BD.03/08/20-0047-13.65	10-08-15	3-08-20	1363.90	13.650		
FAMILY BANK MEDIUM TERM NOTE						
FBKB.BD.19/04/21-0049-13.75	26-10-15	19-04-21	1297.10	13.750		
FBKB.BD.19/04/21-0051-2.5	26-10-15	19-04-21	600.70	(182+2.5)		
FBKB.BD.19/04/21-0050-14	26-10-15	19-04-21	121.00	14.000		

Weekly Kenya Treasury and Infrastructure Bonds

BONDS LISTED AT THE NAIROBI SECURITIES EXCHANGE — APRIL 8, 2016

ISSUE NO.	ISSUE DATE	MATURITY DATE	ISSUED VALUE IN MNS	COUPON (%)	AVG TRADED YIELD (%)	TOTAL VALUE (KSH)	NUMBER OF TRADES
ONE YEAR BONDS							
FXD 1/2015/1YR	29-09-15	26-09-16	24,260.65	19.062	12.35	7,500,000	2
FXD 2/2015/1YR	26-10-15	24-10-16	20,482.75	22.954			
TWO YEAR BONDS							
FXD 1/2014/2YR	24-03-14	21-03-16	19,976.40	10.803			
FXD 2/2014/2YR	26-05-14	23-05-16	20,130.15	10.793	11.0000	2,000,000	1
FXD 3/2014/2YR	25-05-15	19-12-16	29,375.70	10.890	11.0000	500,000,000	2
FXD 1/2015/2YR	23-02-15	20-02-17	23,592.15	11.470	15.1497	250,000	1
FXD 2/2015/2YR	29-06-15	26-06-17	18,746.80	12.629			
FXD 1/2016/2YR	25-01-16	22-01-18	20,153.75	15.760	11.2100	750,900,000	5
FIVE YEAR BONDS							
FXD 1/2012/5YR	28-05-12	22-05-17	31,079.55	11.855	11.8025	202,400,000	2
FXD 1/2013/5YR	29-04-13	23-04-18	20,240.75	12.892			
FXD 2/2013/5YR	1-07-13	25-06-18	26,340.05	11.305			
FXD 3/2013/5YR	25-11-13	19-11-18	14,937.80	11.952	11.7500	3,200,000	1
FXD 1/2014/5YR	28-04-14	22-04-19	25,733.70	10.870			
FXD 2/2014/5YR	23-06-14	17-06-19	16,418.25	10.934			
FXD 1/2015/5YR	29-06-15	22-06-20	30,956.05	13.193	13.9000	200,000,000	1
FXD 2/2015/5YR	30-11-15	23-11-20	30,673.85	13.920	13.7700	302,700,000	10
TEN YEAR BONDS							
FXD1/2006/10YR	27-03-06	14-03-16	3,451.05	14.000			
FXD2/2006/10YR	29-05-06	16-05-16	5,028.10	14.000			
FXD1/2007/10YR	29-10-07	16-10-17	9,308.80	10.750			
FXD1/2008/10YR	29-10-07	12-02-18	2,992.75	10.750			
FXD2/2008/10YR	28-07-08	16-07-18	13,504.70	10.750			
FXD3/2008/10YR	29-09-08	17-09-18	4,151.60	10.750	12.0000	3,000,000	1
FXD1/2009/10YR	27-09-09	15-04-19	4,966.85	10.750	12.0000	2,000,000	1
FXD1/2010/10YR	26-04-10	13-04-20	19,394.15	8.790	12.7500	2,000,000	1
FXD2/2010/10YR	1-11-10	19-10-20	18,849.90	9.307			
FXD1/2012/10YR	30-06-12	13-06-22	35,273.50	12.300			
FXD1/2013/10YR	1-07-13	19-06-23	35,273.70	12.371	14.0735	804,800,000	6
FXD1/2014/10YR	25-05-15	15-01-24	35,852.15	12.180	14.5000	100,000,000	1
ELEVEN YEAR BONDS							
FXD1/2006/11YR	25-09-06	11-09-17	4,031.40	13.750			
TWELVE YEAR BONDS							
FXD1/2006/12YR	28-08-06	13-08-18	3,900.95	14.000			
FXD1/2007/12YR	28-05-07	13-05-19	4,864.60	13.000			
FIFTEEN YEAR BONDS							
FXD1/2007/15YR	26-03-07	7-03-22	3,654.60	14.500			
FXD2/2007/15YR	25-06-07	6-06-22	7,236.95	13.500			
FXD3/2007/15YR	26-11-07	7-11-22	18,030.20	12.500			
FXD1/2008/15YR	31-03-08	13-03-23	7,830.90	12.500			
FXD1/2009/15YR	26-10-09	7-10-24	9,420.45	12.500			
FXD1/2010/15YR	29-03-10	10-03-25	22,336.25	10.250			
FXD2/2010/15YR	27-12-10	8-12-25	13,513.10	9.000			
FXD1/2012/15YR	24-09-12	6-09-27	21,089.45	11.000	13.8000	1,400,000	1
FXD1/2013/15YR	25-02-13	7-02-28	42,138.45	11.250	15.3750	1,800,000	2
FXD2/2013/15YR	29-04-13	10-04-28	17,385.85	12.000	14.8448	1,650,000,000	16
TWENTY YEAR BONDS							
FXD1/2008/20YR	30-06-08	5-06-28	20,360.95	13.750			
FXD1/2011/20YR	30-05-11	5-05-31	9,365.80	10.000			
FXD1/2012/20YR	26-11-12	1-11-32	44,581.65	12.000			
TWENTY FIVE YEAR BOND							
FXD1/2010/25YR	28-06-10	28-05-35	20,192.40	11.250			
THIRTY YEAR BOND							
SDB 1/2011/30YR	28-02-11	21-01-41	28,144.70	12.000	13.6151	200,000	1
INFRASTRUCTURE BONDS							
IFB 1/2011/12YR	3-10-11	18-09-23	43,447.35	12.000	12.6594	37,500,000	1
IFB 1/2009/12YR	23-02-09	8-02-21	19,726.85	12.500			
IFB 2/2009/12YR	7-12-09	22-11-21	18,897.65	12.000			
IFB 1/2010/8YR	1-03-10	19-02-18	15,908.05	9.750			
IFB 2/2010/9YR	30-08-10	19-08-19	32,871.55	6.000			
IFB 1/2013/12YR	30-09-13	15-09-25	38,841.68	11.000	12.1785	190,850,000	8
IFB 1/2014/12YR	27-10-14	12-10-26	35,480.90	11.000			
IFB 1/2015/12YR	30-03-15	15-03-27	51,192.20	11.351	12.6236	1,077,900,000	17
IFB 1/2015/9YR	14-12-15	2-12-24	25,119.55	11.000	12.3958	1,544,800,000	11

MARKET DATA

Global Markets & Currencies

Currencies

Kenya Shilling

CURRENCY	BUY	SELL	MEAN
US DOLLAR	101.22	101.41	101.32
STG POUND	142.66	142.94	142.80
EURO	115.40	115.64	115.52
SA RAND	6.71	6.73	6.72
KES / USHS	33.18	33.34	33.26
KES / TSHS	21.52	21.66	21.59
KES / RWF	7.58	7.67	7.63
KES / BIF	15.18	15.40	15.29
AE DIRHAM	27.56	27.61	27.58
CAN $	77.66	77.83	77.74
S FRANC	106.07	106.30	106.19
JPY (100)	93.00	93.20	93.10
SW KRONER	12.43	12.46	12.45
NOR KRONER	12.19	12.22	12.20
DAN KRONER	15.54	15.57	15.55
IND RUPEE	1.52	1.53	1.53
HONGKONG DOLLAR	13.05	13.08	13.06
SINGAPORE DOLLAR	75.06	75.26	75.16
SAUDI RIYAL	26.98	27.05	27.02
CHINESE YUAN	15.65	15.68	15.67
AUSTRALIAN $	77.19	77.38	77.28

SOURCE: CBK

US Dollar

BACKGROUND	BID	ASK
EURO	1.14	1.14
JAPANESE YEN	108.64	108.67
BRITISH POUND	1.41	1.41
SWISS FRANC	0.96	0.96
AUSTRALIAN DOLLAR	0.75	0.75
SWEDISH KRONA	8.17	8.17
CANADIAN DOLLAR	1.31	1.31
CHINESE YUAN	6.47	6.47
NORWEGIAN KRONE	8.29	8.29
BOSNIAN MARK	1.73	1.73
DANISH KRONE	6.55	6.55
RUSSIA ROUBLE	67.26	67.27
TURKISH LIRA	2.86	2.86
ICELAND KRONA	123.68	123.97
INDIAN RUPEE	66.61	66.63
POLISH ZLOTY	3.78	3.78
CZECH KORUNA	23.77	23.78
HUNGARIAN FORINT	275.06	275.31
UKRAINE HRYVNIA	25.61	25.66
ISRAEL SHEKEL	3.78	3.79
ALBANIAN LEK	121.78	122.45
BULGARIAN LEV	1.72	1.72
SERBIAN DINAR	59.99	60.19
CYPRUS POUND	0.40	0.40
ESTONIAN KROON	11.70	11.71
GEORGIAN LARI	2.26	2.30
THAI BAHT	35.11	35.13
GIBRALTAR POUND	1.41	1.41
CROATIAN KUNA	6.59	6.60
KAZAKHSTAN TENGE	340.26	340.33
LITHUANIA LITAS	2.85	2.85
LATVIAN LATS	0.51	0.51
MOLDOVAN LEU	19.54	19.64
MACEDONIA DENAR	53.90	54.44
MALTESE LIRA	3.41	3.42
ROMANIAN LEU	3.93	3.93
SLOVAK KORUNA	21.55	21.60
SERBIAN DINAR	107.75	108.16
ARMENIAN DRAM	482.00	486.00
UAE DIRHAM	3.67	3.67
ANGOLAN KWANZA	162.08	163.43
BURUNDI FRANC	1,546.50	1,566.50
BOTSWANA PULA	0.09	0.09
CONGO FRANC	913.00	943.00
CAPE VERDE ESCUDO	96.03	97.13
DIJIBOUTI FRANC	176.50	178.60
ALGERIAN DINAR	107.75	108.39
EGYPT POUND	8.88	8.88
ETHIOPIAN BIRR	21.30	21.70
GHANAIAN CEDI	3.83	3.84
GAMBIAN DALASI	42.10	43.60
ERITREA NAFKA	16.05	16.55
GUINEA FRANC	7,495.00	7,695.00
KENYA SHILLING	101.10	101.30
COMORO FRANC	433.55	434.55
LIBERIAN DOLLAR	91.00	92.00
LESOTHO LOTI	15.12	15.16
LIBYAN DINAR	1.37	1.37
MOROCCAN DIRHAM	9.62	9.63
MALAGASY ARIARY	3,169.00	3,186.00
MAURITANIAOUGUIYA	339.00	347.00
MALAWI KWACHA	674.95	693.57
MOZAMBIQUEMETICAL	53.30	54.37
NIGERIAN NAIRA	199.00	199.50
RWANDA FRANC	741.00	752.00
SC RUPEE	13.25	13.55
ST HELENA POUND	1.43	1.44
SIERRALEONLEON	3,928.00	4,028.00
SAO TOME DOBRA	20,903.00	22,202.00
SOMALI SHILLING	608.00	615.00
SWAZILAND LILAGENI	15.14	15.18
TUNISIAN DINAR	2.02	2.02
TANZANIA SHILLING	2,186.00	2,188.00
UGANDA SHILLING	3,343.00	3,353.00
CFA FRANC	577.07	581.07
CFA FRANC	577.12	582.12
MAURITIUS RUPEE	34.92	35.22
SOUTH AFRICA RAND	15.14	15.15

Global Indexes

APRIL 07, 2016	DAILY					52 WEEK			
INDEX (REGION/COUNTRY)	HIGH	CHG	% CHG		YTD % CHG	HIGH	LOW	% CHG	3-YR % CHG
GLOBAL									
THE GLOBAL DOW (WORLD)	2289.69	-12.91	-0.57		-3	2639.52	2047.44	-12	2.9
THE GLOBAL DOW EURO (WORLD)	1895.72	-11.92	-0.63		-7.4	2305.98	1699.54	-17.4	7.7
DJ GLOBAL INDEX (WORLD)	304.88	-1.81	-0.6		-2	341.62	272.15	-9.8	3.4
DJ GLOBAL EX U.S. (WORLD)	204.15	0.13		0.06	-3.6	246.68	184.52	-15.5	-1.7
ASIA PACIFIC									
DJ ASIA-PACIFIC TSM (ASIA-PACIFIC)	1331.34	13.05		0.99	-4.2	1619.39	1190.45	-15.2	-0.8
ALL ORDINARIES (AUSTRALIA)	5062	17.7		0.35	-5.7	5954.8	4816.6	-14.6	1
S & P/ASX 200 (AUSTRALIA)	4984.9	18.2		0.37	-6.3	5982.7	4765.3	-16.3	0.5
DOW JONES CHINA 88 (CHINA)	256.83	-3.52	-1.38		-12	408.69	224.92	-26.1	6.4
SHANGHAI COMPOSITE (CHINA)	3062.36	-42.17	-1.38		-15	5166.35	2655.66	-24	10.6
HANG SENG (HONG KONG)	20370.52	59.38		0.29	-7.5	28442.75	18319.58	-24.8	-2.3
S & P BSE SENSEX (INDIA)	25013.13	-215.21	-0.86		-5.5	29044.44	22951.83	-14.5	10.2
JAKARTA COMPOSITE (INDONESIA)	4900.47	-0.94	-0.02		6	5500.9	4120.5	-11.5	-0.4
NIKKEI 300 (JAPAN)	257.7	1.15		0.45	-17.7	343.2	242.81	-21.1	5.7
NIKKEI STOCK AVG (JAPAN)	15871.1	34.48		0.22	-17.3	20868.03	14952.61	-21	7.1
TOPIX INDEX (JAPAN)	1281.37	4.89		0.39	-17.8	1691.29	1196.28	-20.2	6.1
KUALA LUMPUR COMPOSITE (MALAYSIA)	1724.29	7.28		0.42	1.9	1862.8	1532.14	-6.8	0.7
S & P/NZX 50 (NEW ZEALAND)	6758.61	20.96		0.31	6.8	6755.23	5546.88	15.5	15.1
KSE 100 (PAKISTAN)	34058.28	-50.34	-0.15		3.3	36228.88	30564.5	5.9	22.1
PSEI (PHILIPPINES)	7239.22	52.42		0.73	4	8127.48	6084.28	-10.2	2.4
STRAITS TIMES (SINGAPORE)	2835.32	2.34		0.08	-2.4	3539.95	2532.7	-18.7	-5.2
KOSPI (SOUTH KOREA)	1980.43	2.57		0.13	0.6	2173.41	1829.81	-4.1	0.8
COLOMBO STOCK EXCHANGE (SRI LANKA)	6236.32	65.08		1.06	-9.6	7498.78	5862.35	-9.7	2.6
WEIGHTED (TAIWAN)	8529.44	-23.05	-0.27		1.8	9973.12	7410.34	-11.3	2.2
SET (THAILAND)	1379.25	-16.9	-1.23		5.3	1570	1224.83	-12.2	-3.1
EUROPE									
STOXX EUROPE 600 (EUROPE)	332.08	-2.55	-0.77		-10.3	414.06	303.58	-19.8	4.5
STOXX EUROPE 50 (EUROPE)	2757.24	-16.76	-0.61		-12.1	3591.47	2566.26	-23.1	1
EURO STOXX 50 (EURO ZONE)	2924.7	-37.79	-1.3		-12.1	3828.78	2680.35	-24.1	3.6
EURO STOXX (EURO ZONE)	314.06	-3.59	-1.15		-10.5	392.35	284.92	-20.4	5.7
ATX (AUSTRIA)	2245.7	-29.42	-1.31		-7.8	2681.44	1957.05	-15.5	-1.7
BEL-20 (BELGIUM)	3360.65	-25.38	-0.76		-10.3	3905.71	3130.76	-14.2	9.3
PX 50 (CZECH REPUBLIC)	888.8	-0.09	-0.01		-7.5	1058.4	845.9	-16	-2.3
OMX COPENHAGEN (DENMARK)	861.71	-0.95	-0.11		-6	923.55	745.49	-3.1	20.9
OMX HELSINKI (FINLAND)	7814.73	-97.53	-1.26		-10.8	9374.42	7257.23	-16.5	8.1
CAC 40 (FRANCE)	4316.78	-38.73	-0.9		-8.4	5268.91	3896.71	-18.5	5
DAX (GERMANY)	9702.18	-93.89	-0.98		-11.3	12374.73	8752.87	-21.7	7.6
BUX (HUNGARY)	26440.06	99.35		0.38	10.4	26451.02	20610.76	26.6	13.5
FTSE MIB (ITALY)	17322.19	-422.66	-2.45		-21.5	24031.19	15773	-29.3	3.3
AEX (NETHERLANDS)	433.94	-2.28	-0.53		-3	509.24	382.61	-14.6	8
ALL-SHARES (NORWAY)	617.15	-1.61	-0.26		-6.1	711.22	552.32	-12.2	6.2
WIG (POLAND)	47762.81	-120.72	-0.25		1.6	57379.45	42152.7	-14.2	1.9
PSI 20 (PORTUGAL)	4864.36	-86.64	-1.79		-10.4	6324.88	4460.63	-24.7	-5.5
RTS INDEX (RUSSIA)	872.56	-4.05	-0.47		13.5	1082.21	628.41	-14.4	-15.2
IBEX 35 (SPAIN)	8431.4	-105.7	-1.26		-13.1	11866.4	7746.3	-29.3	2.1
SX ALL SHARE (SWEDEN)	477.92	-6.16	-1.29		-6.5	564.9	435.21	-14.8	8.9
SWISS MARKET (SWITZERLAND)	7830.03	-6.88	-0.09		-12	9526.79	7496.62	-17.4	0.5
BIST 100 (TURKEY)	82252.59	-346.61	-0.43		13.2	88651.88	68567.89	-2.8	-0.4
FTSE 100 (U.K.)	6204.1	-24.74	-0.4		-1.7	7104	5537	-12.5	-0.6
FTSE 250 (U.K.)	16920.58	-151.88	-0.9		-4.1	18263.46	15178.8	-5.7	7.4
AMERICAS									
DJ AMERICAS (AMERICAS)	494.43	-5.79	-1.17		0.2	524.44	433.35	-5.3	7
MERVAL (ARGENTINA)	12262.04	-397.89	-3.24		1.6	14173.87	9288.41	3.1	53
SAO PAULO BOVESPA (BRAZIL)	48940.48	416.86		0.87	11.9	58051.61	37497.48	-9.8	-4.1
S & P/TSX COMP (CANADA)	13327.3	-81.02	-0.61		2	15450.87	11843.11	-13.4	2.5
SANTIAGO IPSA (CHILE)	3091.52	5.37		0.17	5	3359.04	2759.77	-5.7	-5.6
IPC ALL-SHARE (MEXICO)	45290.03	-229.81	-0.51		4.8	46191.51	40265.37	0.3	1.4
CARACAS GENERAL (VENEZUELA)	15446.43	389.12		2.59	5.9	16820.52	5381.15	186.3	189.9

SOURCE : WSJ MARKETS

Global Indices

NAME	LOCATION	LAST		NET.CHNG	PCT.CHNG	OPEN	HIGH	LOW	CLOSE
DJ INDU AVERAGE	NEWYORK	17,541.96	▼	-174.09	-0.98%	17,687.28	17,687.28	17,484.23	17,716.05
FTSE EUROTOP 100	LONDON	2,540.69	▲	17.88	0.71%	2,522.75	2,546.86	2,522.75	2,522.81
XETRA DAX PF/D	FRANKFURT	9,617.93	▲	87.31	0.92%	9,576.40	9,624.12	9,572.57	9,530.62
CAC 40 INDEX/D	PARIS	4,282.53	▲	36.62	0.86%	4,259.10	4,283.73	4,258.51	4,245.91
FTSE MIB/D	MILAN	17,365.76	▲	547.51	3.26%	16,960.89	17,374.13	16,956.49	16,818.25
SMI PR/D	SWITZERLAND	7,797.55	▲	36.20	0.47%	7,792.83	7,801.50	7,765.96	7,761.35
HANG SENG INDE/D	HONGKONG	20,370.40	▲	104.35	0.51%	20,061.60	20,370.44	20,045.47	20,266.05
NIKKEI 225 INDEX	TOKYO	15,821.52	▲	71.68	0.46%	15,597.04	16,027.63	15,471.80	15,749.84
ALL ORDINARIES	AUSTRALIA	5,018.00	▼	-24.32	-0.48%	5,039.50	5,039.50	4,975.70	5,042.32
SSE COMPOSITE/D	SINGAPORE	2,985.76	▼	-22.66	-0.75%	2,988.20	2,996.17	2,960.46	3,008.42
STRAITS TIMES /D	SHANGHAI	3,667.14	▼	-6.88	-0.19%	3,642.68	3,668.30	3,634.62	3,674.02
S&P SENSEX/D	MUMBAI	24,673.84	▼	-11.58	-0.05%	24,665.80	24,736.03	24,608.51	24,685.42

SOURCE: THOMPSON REUTERS

FTSE 100

NAME	LAST	CLOSE	NET.CHNG	PCT.CHNG
ANGLO AMERICAN/D	509.00	506.10	2.90	0.57%
ASSOC.BR.FOODS/D	3393.00	3387.00	6.00	0.18%
ADMIRAL GROUP/D	1938.00	1929.00	9.00	0.47%
ABDN.ASSET.MAN/D	260.70	256.00	4.70	1.84%
AGGREKO/D	1039.00	1037.00	2.00	0.19%
ANTOFAGASTA/D	431.00	426.90	4.10	0.96%
ARM HOLDINGS/D	1046.12	1042.00	4.00	0.38%
ASHMORE/D	285.80	277.70	8.10	2.92%
AVIVA PLC/D	426.30	422.00	4.30	1.02%
ASTRAZENECA/D	4159.00	4167.50	-8.50	-0.20%
BAE SYSTEMS/D	497.30	491.60	5.70	1.16%
BARCLAYS/D	149.25	147.10	2.05	1.39%
BRIT AM TOBACC/D	4185.50	4148.50	37.00	0.89%
BR LAND CO/D	710.50	699.50	11.00	1.57%
BHP BILLITON/D	733.70	727.50	6.20	0.85%
BUNZL/D	2049.00	2042.00	7.00	0.34%
BP/D	346.60	339.30	7.30	2.15%
BURBERRY GRP/D	1301.00	1293.00	8.00	0.62%
BT GROUP/D	440.70	440.05	0.65	0.15%
CARNIVAL/D	3776.00	3759.00	17.00	0.45%
CENTRICA/D	229.60	227.10	2.60	1.14%
COMPASS GROUP/D	1264.15	1268.00	-3.00	-0.24%
CAPITA PLC/D	1035.50	1024.00	12.00	1.17%
CRODA INTL/D	2975.50	2975.00	0.00	0.00%
CRH/D	2006.70	1990.00	15.00	0.75%
DIAGEO/D	1904.00	1910.00	-6.00	-0.31%
MAN GROUP/D	148.00	148.00	0.00	0.00%
EXPERIAN/D	1232.00	1255.00	-23.00	-1.83%
FRESNILLO/D	929.00	927.50	1.50	0.16%
G4S/D	188.90	187.20	1.70	0.91%
GKN/D	281.23	278.20	3.10	1.11%
GLENCORE/D	133.05	132.10	0.95	0.72%
GLAXOSMITHKLIN/D	1473.50	1474.50	-1.00	-0.07%
HAMMERSON/D	589.25	576.00	13.50	2.34%
HARGREAVES LS/D	1285.00	1279.00	6.00	0.47%
HSBC HOLDINGS/D	419.10	416.15	2.95	0.71%
ICAP PLC/D	457.70	453.00	4.70	1.04%
IAG/D	526.00	527.50	-1.50	-0.28%
INTERCONT HOTE/D	2857.00	2844.00	13.00	0.46%
IMI PLC/D	917.50	910.50	7.00	0.77%
INTERTEK GROUP/D	3207.00	3197.00	10.00	0.31%
ITV/D	240.70	238.70	2.00	0.84%
JOHNSON MATTHE/D	2683.00	2659.00	24.00	0.90%
KAZ MINERALS/D	141.50	146.80	-5.30	-3.61%
KINGFISHER/D	377.00	379.70	-2.70	-0.71%
LAND SECS GROU/D	1127.00	1109.00	18.00	1.62%
LEGAL & GENERA/D	232.90	227.50	5.50	2.42%
LLOYDS BNK GRP/D	65.63	64.82	0.81	1.25%
MARKS & SP./D	442.30	433.00	9.30	2.15%
MORRISON SUPMK/D	201.60	201.60	0.00	0.00%
NATIONAL GRID/D	994.73	998.20	-3.50	-0.35%
NEXT/D	5510.60	5505.00	10.00	0.18%
OLD MUTUAL/D	184.30	183.00	1.30	0.71%
PETROFAC/D	844.32	851.00	-6.50	-0.76%
POLYMETAL INT/D	687.00	682.00	5.00	0.73%
PRUDENTIAL/D	1309.50	1281.00	28.50	2.22%
PEARSON/D	836.00	825.00	11.00	1.33%
RECKIT BNCSR G/D	6788.00	6804.00	-16.00	-0.24%
ROYAL BANK SCO/D	209.65	207.00	2.70	1.30%
RDS 'A/D	1702.00	1666.50	35.50	2.13%
RELX/D	1303.88	1299.00	4.00	0.31%
ROYAL DTCH SHL/D	1709.00	1676.00	33.00	1.97%
REXAM/D	621.08	621.50	-0.50	-0.08%
RIO TINTO/D	1938.50	1917.50	21.00	1.10%
ROLLS ROYCE PL/D	661.50	655.00	6.50	0.99%
RANDGOLD RES./D	6510.00	6575.00	-65.00	-0.99%
RSA INSRANCE G/D	472.20	470.50	1.70	0.36%
SABMILLER/D	4213.00	4226.50	-13.50	-0.32%
SAINSBURY(J)/D	288.80	287.20	1.60	0.56%
SCHRODERS/D	2497.00	2524.00	-26.00	-1.03%
SCHRODERS NV/D	1885.00	1903.00	-18.00	-0.95%
SAGE GROUP/D	630.34	626.00	4.00	0.64%
SHIRE/D	4274.00	4293.00	-19.00	-0.44%
STANDARD LIFE/D	341.20	334.70	6.50	1.94%
SMITHS GROUP/D	1076.00	1056.00	20.00	1.89%
SMITH&NEPHEW/D	1173.00	1173.00	0.00	0.00%
SERCO GROUP/D	97.35	95.25	2.25	2.36%
SSE PLC/D	1498.20	1499.00	0.00	0.00%
STANDRD CHART /D	441.95	433.80	8.30	1.91%
SEVERN TRENT/D	2232.00	2217.00	15.00	0.68%
TATE & LYLE/D	593.25	597.00	-3.50	-0.59%
TULLOW OIL/D	186.40	193.40	-7.00	-3.62%
TESCO/D	191.35	191.30	0.05	0.03%
UNILEVER/D	3233.00	3241.00	-8.00	-0.25%
UNITED UTIL GR/D	954.50	946.50	8.00	0.85%
VEDANTA RES/D	342.00	344.00	-2.00	-0.58%
VODAFONE GROUP/D	226.25	222.75	3.50	1.57%
WEIR GROUP/D	1034.00	992.00	42.00	4.23%
WOLSELEY/D	3945.00	3880.00	65.00	1.68%
WPP PLC/D	1640.00	1647.00	-8.00	-0.49%
WHITBREAD/D	3808.90	3800.00	8.00	0.21%

LIFE

MANAGEMENT | PERSONAL FINANCE



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PERSONAL GROWTH Changing your mindset is the first step towards achieving your professional and life goals

Here are 8 things that exceptional thinkers do daily

Everything that we are and everything that we are not is an end result from our current level of thinking. Every great achievement in history came from exceptional thinking. Every man or woman to ever rise to the top of their profession had exceptional thinking that played a major role in getting them to where they are.

I have never met a high achiever who lacked in their level of thinking. Our feelings, emotions, professional success and happiness levels are all affected by our thinking and what takes place on a daily basis from the neck up.

If you aren't currently happy with where you are at in life or in your professional journey, there is great news. You can drastically alter where you are and everything around you by changing your thinking. Just like any other important habit, you can't become an exceptional thinker if you practice it only once in awhile. Working on your mind and thinking must become a daily practice.

Here are eight things exceptional thinkers do daily:



1. They focus on the positive.

Every single day of our lives, we have a choice when we wake up in the morning whether we are going to direct our focus on the positive or negative. Exceptional thinkers know the importance of where they direct their focus. They fully understand that it impacts their energy levels and will determine how they perform. You can eliminate a lot of the worry, stress, and anxiety just by choosing to focus on the positive. Regardless of how big or small, force yourself to see the good in every situation no matter how miniscule it may be.

2. They spend time in solitude.

Exceptional thinkers know that we live in a noisy and distracting world and therefore prioritise the importance of spending time alone. If you go pick up an autobiography of your favourite inventor, president, or even athlete, you will realise that they valued alone time to reflect and think in solitude.



3. They have a long-term vision.

Exceptional thinkers have a clear vision of where they want to be in the future and all of the things that they need to do in order to make that become a reality. They rarely get discouraged and disappointed because of short-term obstacles because of this powerful long-term vision that they have for their life.



4. They have a mindset-development routine.

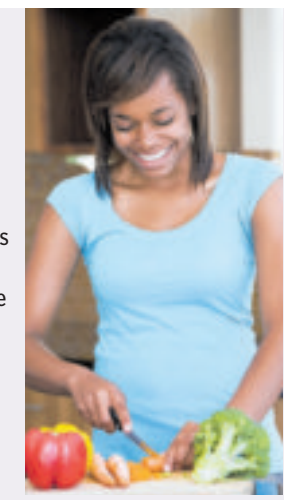
Whether it's a special morning routine to jump start their day, reading positive books first thing in the morning, or listening to empowering podcasts and audio books while commuting, they go to work on their mind daily. Most people wait for something positive to happen throughout their day to have good thoughts, but exceptional thinkers are proactive towards positively developing their mind every chance they get.



5. They only associate with those who build them up.

There is nothing more detrimental to one's thinking than hanging around others who are constantly negative and energy vampires. You adopt the habits and channel the energy of those around you, so make it a habit to surround yourself with positive people and remain in good company.

6. They eat clean and healthy.



A large majority of the population is oblivious as to what you put into your body on a daily basis and how that plays a role in your thinking. What you drink and eat every single day greatly impacts how you feel and how well your brain operates.

To further understand just how important what you eat is to how well you think, I highly recommend checking out Dr Mark Hyman and Dr. Daniel Amen. Two of my favourites when it comes to brain optimization and thriving on all cylinders.

7. They find time to regularly workout.

I have talked about the benefits of working out and how it can tremendously impact productivity levels, but the same goes for brain health and increasing your current level of thinking. The endorphins released during routine exercise are packed with positivity.



8. They have an attitude of gratitude.

Your thinking and life in general is just that much better when you possess an attitude of gratitude and find ways to regularly acknowledge all that you are grateful for. It's impossible to be truly grateful and miserable at the same time. There are a lot of things that exceptional thinkers do on a daily basis to help them rise above, but the above eight things that I have listed have greatly impacted the way I think on a daily basis. When you understand just how important your mind is and work to constantly upgrade your level of thinking, your life will be upgraded in return.

- ENTREPRENEUR



To be a successful entrepreneur, first master this one basic skill

PRESENTATION The gift of garb is important for every entrepreneur seeking to win investors and customers



Great conversation skills help business owners to engage potential investors and customers effectively. FOTOSEARCH

Every entrepreneur needs to have countless skills, from creative brainstorming to logical analysis and decision-making. And these skills range in complexity and specificity, with basic ones like time management permeating your day, and more complex ones that are exclusive to your industry and are acquired only through experience.

But there's one skill that's incredibly basic, yet underrepresented in the modern entrepreneurial community: the art of conversation.

Everything starts with a conversation.

Your conversational skills are a deciding factor in how several important experiences play out during the course of your business leadership:

• Presenting your business plan to investors,

•Persuading them to invest and listening to their ideas and feedback

• Getting your first clients on board, and convincing them to stick with you

• Choosing your team members through interviews, retaining them and securing their high morale

• Managing, organising and delegating tasks on a daily basis

• Collecting feedback from your team and clients, and making those improvements.

Conversation, in fact, is a foundational skill that will affect literally every area of your business. Yet there is no "conversation" class in business school, and we rarely get the opportunity to critique our own performance.

Fortunately, there are some habit changes, exercises and general considerations that can help you become a better conversationalist, overall:

1. **Pay attention.** Tonnes of articles tell you to act like you're paying attention by making eye contact, nodding and repeating back what the other person has told you. But as TED speaker Celeste Headlee humorously points out, why would you need to act like you're paying attention if you are, in fact, paying attention? When you converse, then, don't just wait for your next opportunity to speak; truly listen to what the other person is saying, absorb it and reflect on it. You'll understand the speaker's meaning more clearly, and respond more appropriately.

2. **Ask open-ended questions.** The common advice to holding a better conversation is to ask more questions, but that only tells you half the story. You can't just ask a series of rapid-fire questions and hope to get good answers.

Instead, you have to ask open-ended questions, which force the responder to give you more meaningful information. Don't ask, "Do you like our new website?" This forces a "yes" or "no" answer, which closes the conversation and gives you little meaningful information to work with. Instead, consider something more open, like "What do you think of our new website?"

3. **Let the conversation take its course.** During the course of the conversation, many twists and turns will arise. Try to let them happen as naturally as possible.

Many thoughts and talking points will enter your mind throughout, but don't interrupt the flow of conversation to bring them up -- it's fine to let them go. Your goal here is to keep the dialogue active, with a positive rhythm, so unless you deviate far off course from your intended direction, let these natural changes unfold.

> When you converse, then, don't just wait for your next opportunity to speak; truly listen

4. **Err on the side of caution.** People will hold you at your word, so be careful what you commit to and what you imply you know. For example, if a client asks if you can customise your software with a new tool, don't respond "yes" just to keep the conversation moving — unless you know the answer is "yes," for sure.

Instead, "I don't know" is a perfectly acceptable answer, as long as you follow up to get the answers eventually. Doing this will allow your conversations to establish more reasonable expectations and set you up as a more powerful authority.

5. **Skip the details unless necessary.** Conciseness is a powerful tool that makes your words more meaningful, and helps keep the conversation on track at the same time.

That doesn't mean you should respond in snippets of only a few words, but it does mean you should avoid dredging up any details that are unnecessary for your bottom-line points.

For example, if you're not going to hit a deadline, but you have a plan to get the work done in another day or two, don't bother explaining every domino that fell to get to this point to your client. Instead, keep things high level, unless the client asks for more details.

In sum, it takes time to become a better conversationalist, just as it takes time to be a better anything, but the more time and energy you invest in your skill, the more rewards you'll gain in your future engagements.

Plus, being a better conversationalist is more than just a line on your resume — it's going to help you be a better friend, relative and maybe even better stranger.

- ENTREPRENEUR



Most start-ups fail because entrepreneurs lack patience. FOTOSEARCH

How to survive your first year of entrepreneurship

Most entrepreneurs bail in the first year. Why? To be honest, it is hard. It's not all glamour and glitz. You don't rocket to stardom in a few short months, drive a McLaren, date celebs and take baths in hundred-dollar bills.

In fact, you're lucky if you survive at all.

Thankfully, there are some secrets to survival. Entrepreneurs survive by pursuing more than fast cars and lots of cash. Entrepreneurs survive by following these rules.

1. **Keep your eye on the goal.** If you don't know your goal, don't have a goal or can't articulate your goal, stop.

You're going to give up if you don't have a goal. Write down your goal. Look at it every day. Read it out loud. This is what will keep you going.

2. **Believe in what you're doing.** You've probably heard of guys who said that they would rather die than not realise their dream. Or maybe you've listened to impassioned entrepreneurs speak of working all night, sleeping in their office and eating only fast food because they were so driven to work on their business.

Those aren't healthy habits, but they certainly display the kind of commitment that an entrepreneur needs to have.

Where does that kind of commitment come from? It's more than just an insane work ethic. It comes from believing in something with an unshakeable faith. You're sold on your idea. You know it's the right thing to do, and you're going to do it.

If you don't believe in what you're doing, you're going to quit.

3. **Get support.** Most humans need a little love and support along the way. Entrepreneurs are no different. Find a supportive community that pushes you, encourages you, feeds you and tells you that it's going to work out.

4. **Learn to love risk.** Risk is not going away. You're going to eat it for breakfast every day. The true risk isn't deciding to start a business. Anyone can do that. The true risk is taking more and bigger risks every day that you're actually in business. It's not risky to embark upon a dream. It is risky to play with millions of dollars from investors, place people's jobs and livelihoods on the line, and face legal and financial implications.

5. **Be content with being uncomfortable.** Discomfort is your new status quo. Whether it's health concerns, mental stress or a raw and jittery drivenness, you are not going to be comfortable very often.

There are no shortcuts or hacks for overcoming the discomfort. It is omnipresent and inescapable. You can, however, become more comfortable with it by knowing that it's a good sign.

The discomfort proves that you're pressing beyond your comfort zone, making things happen and personally growing.

- ENTREPRENEUR

These habits will set you on path of achievement

GROWTH Strict self-discipline helps make your dreams a reality



SUCCESS

SERAPHINE RULIGIRWA-KAMARA

Most of us claim to want to become more successful but the one quality that yields achievement is not one that we want to develop. The ability to give ourselves specific commands and follow them is discipline. Unfortunately most of us view discipline a consequence of wrong-doing, that is, punishment.

That is unfortunate because we cannot develop anything of import without discipline. With discipline, anything progresses from a dream to reality in no time. I realise this sounds very basic — that is because it really is that simple. Those who make it in life, from financial wealth to entrepreneurial success to enjoying life on their terms will confess to having developed the skill of discipline. One thing we need to put into perspective is that those who are disciplined do not necessarily enjoy the acts of discipline that they have to do. In fact, it is correct that they painfully endure their way through those acts.

Successful people enjoy the same things everyone else does. They would like to sleep and text in sick at work or eat anything they feel like whether or not it is healthy. They would like to indulge their lazy bones and bum around all day chatting on Facebook and Whatsapp like everyone else. Successful people are not superhuman. They do not enjoy sacrificing their sleep to be at work early everyday, eat healthy, exercise and put in an honest full day's work without online or other distractions. The only difference is that they do not like doing these acts of discipline but they do them anyway. They get up early, they exercise, they eat healthy and put in the work required to earn them good health, optimum activity levels and career success. They put in the required hours to develop themselves while others lie on the couch watching re-runs of Sex & The City all weekend.

Successful people understand that discipline is the price they have to pay for achievement. They then decide to discipline themselves to do the things that will yield that success for them irrespective of whether or not they enjoy the process.

As an upwardly mobile professional, you want to develop highly-level discipline. You must not care what others are doing when you're putting in your necessary hours of discipline. What anyone else is doing while you make your sacrifices really is none of your business. All you need to know is what you have to do and just get on with the business of getting it done and out of your way.

This is not the point at which you start obsessing about your inadequacy if you at this time lack discipline. Look, even those who are disciplined weren't always that way and the truth is that no one is born complete with discipline. It is a trait that you make the all-important decision to develop with practice, and the more you practise, the better you become at it.

Here are three suggestions to get you started:

1. **What new outcome do you want in your life?** You cannot do the same things you are doing right now and expect new outcomes. Realise that if you want something anything different in your life, you're going to have to do different things.

Then, command yourself to do what you know has to be done to realise the new outcomes.



To succeed one has to sacrifice easy life and be disciplined enough to avoid distractions that could make one lose focus on one's goals.
FOTOSEARCH

2. **No one gets an unfair share.** We all get 24 hours a day. Begin scheduling your day — from the time you get up until the time your head hits your pillow at night. If you have a schedule, you are more likely to do the things you really need to do to get where you want to go.

3. **Visualise.** Hold the image of being successful at what you want to do. Envision a complete shift in your life. And proceed to let that vision unfold by being involved in activities that will get you closer to it's achievement every minute of every single day.

No, I do not claim that it will be easy at first. However, you must trust yourself. It is not possible to want anything that you are unable to achieve. If you want it, you have it in you to work towards it. As you do, your discipline becomes stronger everyday. Discipline works if you understand that paying the price now for what you want later is simply delayed gratification. Delayed, not denied. And then you'll be able to do what you really want when you have already got what you want the most.

What anyone else is doing while you make your sacrifices really is none of your business

Are you willing to pay the price for what you want?

Ms Ruligirwa-Kamara *is an expert on Attitude & Human Potential. Email:Sera@iuponline.com. Titter: @SRuligirwa*

Why keeping a journal will help you succeed

If you want to be rich, you better start a journal today.

Keeping a journal enriches you because it helps you activate the vast storehouse of gifts deep within you. You're able to record your thoughts, motives, and intentions when you record your soul-searching experiences in your journal.

Surprisingly, an overwhelming amount of people don't have a journal. It's not because they cannot afford it or don't have the time, it's because they don't know how powerful it can be as a tool for self-discovery.

As you stare at the blank pages of your journal, it will ask you to share the truth about your position in life. These truths allow you to gain a deeper sense of wisdom and understanding when it comes to dealing with your life.Wisdom is knowing what to do. Understanding is knowing why you did it.

1. **Tomorrow.** Keeping a journal can change your life. Personally, I've kept journals for years and I cannot go a day without recording my experiences.

Because I believe in journaling so much, I'd like to share five reasons why keeping a journal will make you rich.

2. **Self-discovery** The more you write, the more you learn. Keeping a journal can teach you more about yourself than anything else. In just less than 30 minutes per day, you will be able to take the private time you need to think and learn the truth about yourself. You'll gain insight and feedback about yourself while profiting from all the experiences of your day.

3. **Capturing memories.** Commit your life on paper. Your journal will allow you to capture the details of life. From the places you went to the people you met, you'll sail through an ocean full of memories. In addition, you'll also be able to record ideas, stories, jokes, quotes, questions, poems, and many other details, which will dramatically enhance your memory. These memories will give you enjoyment in the voyage of life.



Diaries are useful records. FOTOSEARCH

4. Reflection. "Writing is the beginning of all wealth." –Benjamin Franklin

When you look back in your journal, you'll be able to track the major progressions in your life. When you review your past successes and failures, you'll have a moment to giggle from your glories. You'll also have the chance to make the right adjustments. By reliving your experiences, you'll add more joy to your life.

5. **Future generations.** These empty pages will read the most personal tale you shall ever find in a book. Imagine if your grandchildren could learn about your entire adult life! If you're open to sharing the truth about yourself you can teach future generations about your experiences.

- ENTREPRENEUR

Life: Law

Surge in labour rows hits businesses with employee clamour for rights



BUSINESS LAW
CATHY MPUTHIA



Advocates during a recent hearing of a labour dispute between teachers and the State. JEFF ANGOTE

There is an increase in labour disputes in Kenya possibly because employees are more aware of their rights than before and also due to structural changes in the Judiciary whereby a specialist court has been set up to deal with employment matters.

The labour laws have also significantly changed over the years and the majority of lawyers are well qualified to handle employment disputes.

The most common claims are wrongful termination and unfair dismissal. Wrongful termination occurs where an employee is dismissed on legally unsound grounds while unfair termination takes place when due process is not followed, for example, where an employee is coerced or threatened during the process.

There are a number of unique and emerging issues in employment laws when it comes to termination. Take an example where an employer terminates your services and in the process spoils your reputation unfairly.

The advent of social media is also another aspect to look at as an emerging area in employment law in so far as termination is concerned. While in most instances it is a disgruntled employee who will take to social media to post defamatory remarks about an employer there are some instances where employers do post defamatory remarks about their own staff. Workplace defamation is an emerging issue in employment law, so what cause of action do you have against an employer that spoils your reputation during the termination process?

You can sue for defamation. Defamation is an untrue statement about someone else that hurts their reputation. A written false statement would be libel. If your employer while terminating makes false statements about you to third parties and these statements hurt your reputation then you can sue for defamation. An example is where a former employer makes a false statement about you while giving a reference. While it is very difficult to prove the statements made in references as most are confidential, there are some cases where the reference is publicly available, for example, when applying for a public job.

However, an employer cannot be sued for defamation where one is just giving an opinion about your character as has the defence of fair comment. The defamation when giving references must be something that is totally out of context, for example, you stole goods or you were grossly negligent in your duties while you were not. Therefore, false misrepresentation of facts by a former employer is actionable. Another example of actionable defamation is where a former employer makes false statements about you to former clients and professional colleagues. To be successful in a defamation case, you must show that the statement was false, that it hurt your reputation and that it was in fact made to a third party. A Facebook post by a former employer giving false reasons as to why you were terminated is actionable if it injures your reputation.

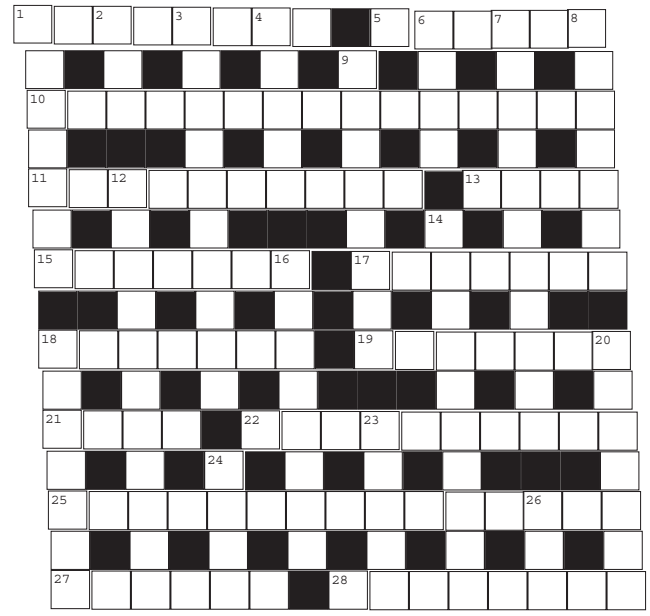
An employer in this instance can be a natural person or an artificial person such as a company. In the case of Frank Hall versus Buck, a terminated employee hired an investigator to pose as a prospective employer and find out the true reasons he was fired, in form of a letter of reference. The former employer described the plaintiff as a classic sociopath with a Jekyll and Hyde syndrome. The plaintiff won the case for defamation.

Another issue that comes up in termination is loss of future earnings. This is a claim for what you would have earned for the time you were out of work such as the case of Islam Channel versus Ridely where a dismissed journalist claimed loss of earnings for one year she was out of work.

Every termination case is unique and a lot of other issues may come up such as discrimination, assault, malice, sexual harassment and others. Your advocate should be able to address all the unique issues that come up.

Ms Mputhia *is the founder of C Mputhia Advocates. Email: cmputhia@cmputhiadvocates.com.*

TIMES CROSSWORD 25099



Across

1 Greek character alone in deep thought? (8)
5 Ending in pub, one in a hurry for strong drink (6)
10 Clans hid as winds swirled in Hawaii a while back (8,7)
11 Play about what happened billions of years ago? (10)
13 Wet American who lost two key elections, we hear (4)
15 One held on to shirt? It's seen in bit of film after unsettled game (3,4)
17 Get home quickly in Paris to meet English visitor? (7)
18 So now the weekend begins, playmates! (7)
19 A vehicle almost bumping into others in the capital (7)
21 Appeal to parent to replace part of wall specially decorated (4)
22 Very little shown to be justified (10)
25 Lectures for old hands? It's right to demand payment to let in new student (9,6)
27 Stories by 3 person who investigated behaviour (6)
28 From which many regulations sprout? (8)

Down

1 Mould around vessel upset one of a pair therein? (7)
2 Founder almost gives grave offence (3)
3 This country requires fresh passion also (3,7)
4 Legal officer restricting company once (5)
6 What enables one to lay down the line? (4)
7 State to hit the right target with one austerity measure? (11)
8 After short interval see revolutionary new design (7)
9 Murderer with honour is elevated — one buying his pardon? (8)
12 Armed fighter appearing before half-time? Put off game! (6,2,3)
14 Ace divers around Jersey etc keen to grab treasure? (10)
16 Artistic mosaic of yesteryear that is displayed around church (8)
18 Central government's got wild about leader writer maybe (7)
20 Misery these days seen in various directions (7)
23 Endure rejection so much as artist (5)
24 One bird won't have nibbled another one (4)
26 What stroke does, we hear, for shy animal (3)

SUDOKU PUZZLE 183

How to play

Fill the grid so that every row, every column and every 3x3 box contains 1-9.
You solve the puzzle with reasoning and logic and not mathematical ability

6								
		3			8			
9	4			1		6		5
4		6			5		1	
7		2		6		5		3
	5		8			9		4
1		7		2			5	9
			9			3		
								2

FRIDAY'S SOLUTIONS

CODEWORD
Solution:3035

1 R	2 Z	3 A	4 J	5 S	6 K	7 E	8 L	9 O	10 F	11 Q	12 U	13 I
14 N	15 X	16 M	17 T	18 D	19 B	20 P	21 V	22 H	23 G	24 W	25 C	26 Y

WORD BUILDER

SOLUTION 377: enter, ere, erne, nee, net, rent, ret, rete, tee, teen, ten, tern, terne, tree, treen

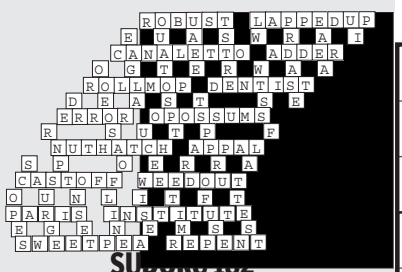
WORD WHEEL
Solution:0362
CONTRARY

Quick Crossword
Solution: 3002

Across:
4 Bigger
5 Shoo (Big Issue)
7 Vinegar
10 Erode
11 Sonatas
12 Steam
14 T-shirts
15 Chore
16 Ensnare
20 Knead
21 Tensing
22 Oils
23 Donate.

Down:
1 Ogres
2 Began
3 Thirsts
4 Boil
6 Ordeal
8 Godsend
9 Radiant
10 Eastern
13 Shinto
14 Treadle
17 Aesop
18 Essay
19 Knee

TIMES 25,098



SUDOKU 182

2	3	7	8	4	5	9	1	6
5	8	6	7	9	1	4	2	3
4	9	1	6	3	2	8	7	5
8	2	4	1	7	6	3	5	9
7	5	3	9	2	4	6	8	1
1	6	9	3	5	8	2	4	7
9	7	2	5	8	3	1	6	4
3	1	8	4	6	7	5	9	2
6	4	5	2	1	9	7	3	8

THE Business OF Sports

Anthony Joshua beats Charles Martin to become world heavyweight champion

BOXING Olympic champ has won all his 16 fights since going professional

Anthony Joshua stopped Charles Martin in two rounds at London's O2 Arena to claim the IBF heavyweight title in only his 16th professional fight.

The Briton floored his American opponent with a peach of a right-hand counter and after Martin was knocked down again, the referee called a halt.

The 26-year-old is his country's sixth bona fide heavyweight world champion.

Joshua is also just the third man to win a pro heavyweight world title while still a reigning Olympic champion.

And he is the first Briton to win both the super-heavyweight Olympic gold and a version of the world heavyweight title - London-born Lennox Lewis was fighting for Canada when he won the 1988 Olympic super-heavyweight title in Seoul. Joshua's victory now brings a super-fight against fellow Briton and WBA and WBO champion Tyson Fury a step closer.

Champion Martin, who was making the first defence of the title he won in January, entered the ring wearing a tall crown, a fur-trimmed, velvet cape and a smile as broad as his shoulders. But the smile soon disappeared.

Some thought previously unbeaten Martin, 29, would trouble Joshua with his southpaw stance - he was the first left-hander Joshua had faced in the paid ranks - but he barely threw a punch in anger.

Joshua needed less than five minutes to beat Martin

It took Joshua half of the first round to find his range but when he did, he landed with three or four big right hands that appeared to rattle the champion.

The challenger staggered Martin with a sweet left hook early in the second, before a beautifully timed right put him on the seat of his pants. Martin rose at eight but after another massive right put him down again, referee Jean-Pierre van Imschoot counted him out on his feet, one minute and 32 seconds into the round.



British boxer Anthony Joshua celebrates after defeating US boxer Charles Martin at the O2 arena in London. AFP

Remarkably, Joshua now has 16 knockouts from 16 pro fights and has only boxed 34 rounds in total. His only fight to go past three rounds was a seventh-round stoppage of Dillian Whyte last time out.

Joshua joins Muhammad Ali and Leon Spinks as the only men to be professional heavyweight world champions while still reigning Olympic champions.

Ali, then known as Cassius Clay, won light-heavyweight gold in 1960 before dethroning Sonny Liston in 1964; Spinks won light-heavyweight gold in 1976 before dethroning Ali in 1978, in only his eighth paid fight.

While nobody has won a world heavyweight title faster than Spinks, Joshua surpasses Ali (20 fights), Lennox Lewis (22) and Mike Tyson (28).

Frank Bruno, Lewis, David Haye and Bob Fitzsimmons complete the list of Britain's heavyweight world champions. Herbie Hide and Henry Akinwande were WBO title-holders when the belt was not taken seriously by many of the elite fighters in the division.

The IBF belt was stripped from Fury when the Manchester boxer opted for a rematch with Wladimir Klitschko rather than a mandatory defence. **-BBC**

Whistleblower accuses British anti-doping team

The whistleblower at the centre of doping allegations against a London-based doctor has accused the UK Anti-Doping Agency of a "catastrophic failure".

Speaking to BBC Sport, former amateur cyclist and drugs cheat Dan Stevens said the organisation had "absolutely no reason to not investigate" his warnings over Dr Mark Bonar.

Bonar was caught on camera by the Sunday Times, allegedly claiming to have prescribed banned substances to 150 athletes, including Premier League footballers. Three Premier League clubs issued statements denying their players had used performance-enhancing drugs.

Bonar also denies any wrongdoing. Ukad says it did begin an investigation into Bonar but found that he was outside of its jurisdiction as he was not governed by a sport.

It decided not to pass the case to the General Medical Council (GMC) or to contact the private clinician. **-BBC**

KENYA TOP 100 MID-SIZED COMPANIES
BUSINESS DAILY — KPMG

NAKURU
HERE WE COME

Do you run a mid sized company that,
- *Has a turnover of kshs 70 Million to 1 Billion*
- *Has 3 year audited accounts*
- *Is not a bank*
- *Is not listed on the NSE*

Join us in Nakuru on the ***14th April 2016*** at ***Hotel Cathay*** from ***5.30 pm*** as we launch Kenya's Top 100 mid-sized companies' survey.

Keynote speaker: Julius Wanyaga
Theme: "Digital Disruption"

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Panama: Africans on list have a big story for continent

INTEGRITY Dossier has not surprised the region, but its details are priceless accounts



A combination of pictures of some of the big names mentioned on the Panama Papers list. AFP

Last week a huge leak of confidential documents detailed how the wealthy and powerful use tax havens to hide their wealth. Eleven million documents leaked from Panamanian law firm Mossack Fonseca were passed to German newspaper *Suddeutsche Zeitung*, which then shared them with the International Consortium of Investigative Journalists.

One of the key elements that is shocking about the revelations is the sheer scale of the number of individuals and the volume of wealth hidden in tax havens either legally or illegally. These 'Panama Papers' amount to approximately three terabytes of data which is about 100 times larger than the 1.7 GB of data revealed by Wikileaks in 2010.

Barely an eyelid batted when Africans appeared on the list

As *The Economist* points out, the uses to which these shell companies, trusts and the like are put range from legitimate to tax evasion to hiding what is the suspected looting of public money.

Africans on the list included president's relatives, state officials and leading business people such as Ahmad Ali al-Mirghani, former Sudanese president, Alaa Mubarak, son of former Egyptian president, John Addo Kufuor who is the son of Ghana's former president and Clive Khulubuse Zuma, nephew of South African president. Others are José Maria Botelho de Vasconcelos, Angola's minister of petroleum, Emmanuel Ndahiro, Rwanda's former Chief of Intelligence, Kojo Annan, son of former UN secretary general and, closer to home, Kalpana Rawal, Kenya's deputy Chief Justice.

The Mail & Guardian reports that Rawal and her husband were directors of two companies based in the British Virgin Islands, prior to her joining the nation's Supreme Court. The family used other offshore companies to buy and sell real estate in London and nearby Surrey. Her response to this is that she has not been involved with the family businesses except for generally knowing they were involved in real estate.

She says she was listed as director on two of them without her knowledge by her husband when he was told two directors were required.

There are three elements that are saddening for Africa in this debacle. The first is that Africans are not surprised that Africans are on the list. Africans have long known that the wealthy, especially those who loot public funds, stash their illegitimate wealth from African jurisdictions to obscure tax havens elsewhere.

Thus, although there was surprise for many Africans at the scale of activity in the Panama Papers, barely an eyelid batted when Africans appeared on the list. The Panama Papers merely elucidate the engagement.

Second, the Papers highlight that Africa continues to haemorrhage away wealth to the detriment of the continent. This is not new; indeed the irony of ironies is that Kofi Annan, whose son is on the Panama Papers list, has been an ardent champion of stopping illicit financial flows from Africa.

Figures from the UN for how much has left Africa in illicit financial flows range from between $1.2 trillion and $1.4 trillion between 1980 and 2009 which is almost equal to Africa's current gross domestic product and about four times Africa's external debt.

But the truly saddening element of the Panama Papers revelations is that it is not difficult to surmise that public funds constitute some, if not most, of the wealth being hidden by Africans on the list. Thus it can be inferred that some Africans stole taxpayers money then hid the money so as to avoid being taxed on the very same taxpayer's money they stole. Thus Africans undergo a double loss of money that should be used for their development.

What is sure is that as the Panama Papers continue to be mined, more African names will emerge detailing the scale of tax evasion and concealment of wealth. It will be truly interesting and frankly entertaining to see how Africans on the list explain why they're on the list or why they should not be there. Get ready Africa.

Were *is a development economist; anzetsew@gmail.com*

Nigeria targets sale of 40pc of new state oil firm

Nigeria plans to split State oil company NNPC into two to help ease a planned stake sale and wants to sell at least 40 per cent of a newly created National Petroleum Co (NPC) in coming years, according to a draft of a long-awaited oil bill seen by Reuters.

The bill envisages the sale of at least 10 per cent of NPC over five years and is targeting 40 per cent or more over 10 years, as Africa's top oil exporter seeks to fix a cash shortage that is hampering investment at NNPC and end graft.

Parliament is to start debating within days the amended Petroleum Industry Bill, in the works for a decade and designed to change everything from taxes to environmental rules and revenue sharing, as well as overhauling NNPC.

Lawmakers have not previously been able to agree on the 200-page bill, but President Muhammadu Buhari has made its passing a priority as he seeks to overhaul the oil and gas sector, which accounts for 70 per cent of State income.

NNPC's output has been stagnant at around two million barrels a day for years as the company struggles with graft, bureaucracy and funding problems.

To accelerate the reform process, the West African nation is breaking up the bill, with the first part dealing with the reform of NNPC, a pet project of Buhari.

"Divestment of shares ... may include the sale or transfer of shares to institutional or strategic investors," the draft said, without giving more details.

-REUTERS

GLOBAL MARKET WATCH

DJ INDU	FTSE 100	XETRA DAX	CAC 40	FTSE MIB	SMI PR	HANG SENG	NIKKEI 225	ALL ORD.	SSE COMP.	S&P SENSEX
17,541.96	2,542.40	9,611.04	4,278.08	17,328.13	7,790.80	20,370.40	15,821.52	5,018.00	2,985.76	24,673.84
-174.09	19.59	80.42	32.17	509.88	29.45	104.35	71.68	-24.322	-22.6636	-11.58

CURRENCY RATES

$:	101.32	TSh	21.59
€:	115.52	USh	33.26
£:	142.80	SAR	6.72

Weekly Market Activity

	LAST WEEK	PREVIOUS WEEK
MARKET CAP IN SH BN	2,065.02	2,072.52
TOTAL SHARES TRADED	75,236,800	73,354,200
EQUITY TURNOVER IN SH	2,477,257,174	1,648,743,180
BONDS TURNOVER	7,388,000,000	9,003,450,000
TOTAL DEALS (BONDS)	93	200
TOTAL DEALS (EQUITY)	6,022	5,468
NSE 20 SHARE INDEX	3,999.33	3,996.38
NSE ALL SHARE INDEX	146.50	147.03
NSE 25 SHARE INDEX	4,219.04	4,233.07
FTSE NSE KENYA 15 INDEX	186.41	185.17
FTSE NSE KENYA 25 INDEX	186.14	185.47
FTSE NSE KENYA BOND INDEX	89.08	89.28
FTSE ASEA PAN AFRICAN INDEX	996.83	1,006.47

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HE SAID

"Test fast, fail fast, adjust fast."



-Tom Peters
American writer

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