

Think BUSINESS

Knowledge for a Competitive Edge

Weekly

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Barclays Kenya launches mobile based platform for quick and unsecured loans



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Key highlights in the NSE

TOP GAINERS	PRICE(KES)	CHANGE(%)
FTGH	4.85	+7.78 ^
UCHM	2.65	+3.92 ^
XPRS	4.55	+3.41 ^
I&M	124.00	+3.33 ^
BBK	11.95	+2.58 ^

LOSERS	PRICE(KES)	CHANGE(%)
UMME	11.70	-9.65 v
FAHR	10.20	-7.27 v
EVRD	2.00	-4.76 v
HAFR	1.15	-4.17 v
BAT	676.00	-3.84 v

INDICES & OTHER TRADING STATS	
NSE ALL SHARE INDEX	182.88
NSE 20 SHARE INDEX	3,767.23
NSE 25 SHARE INDEX	4,715.24
ETF In Units-Total Deals	1.00
ETF Turnover In KES	126,500.00
FTSE NSE Kenya 15 Index	232.07
FTSE NSE Kenya 25 Index	238.92
FTSE NSE Kenya Govt. Bond Index	93.65
FTSE ASEA Pan African Index	1,224.83
MARKET CAPITALIZATION (KES Billions)	2,694.24
TOTAL SHARE TRADED	27,347,500.00
EQUITY TURNOVER	831,919,813.00
TOTAL EQUITY DEALS	1,429.00
I-REIT TURNOVER	51,060.00
TOTAL I-REIT DEALS	4.00

From Pg 1

Barclays Bank of Kenya has launched a virtual mobile based banking platform with the launch of *Timiza*, which enables customers and non-customers to access banking services directly from their phones.

By Nelius Kanyingi

With the pre-conceived notion that the banks' products are specifically set aside for its premium clients the launch of *Timiza* is proof that the lender offers products for everybody, primarily targeting young entrepreneurs (hustlers and young professionals) who need quick access to capital in order their business going.

Barclays Bank Managing Director Jeremy Awori said the launch of *Timiza* marks an important milestone in the lender's wider virtual banking strategy which targets to recruit at least five million new customers in the next five years.

"As a business, we are on a transformation journey where our focus is to use innovation and technology to develop products that are more relevant to the emerging needs of our customers. The launch of *Timiza* today is a clear demonstration of this commitment," Mr. Awori said.

Both Barclays customers and non-customers will be able to access *Timiza* by dialling the USSD code *848# limited to Safaricom subscribers. The user needs to input their name, ID number and date of Birth thereafter the customers will receive a PIN instantly and are immediately pre-qualified for a specific loan amount.

With a repayment period of up to 30 days, customers will access instant loans of up to Ksh 150,000 and interest rate of 6.71 per cent depending on their individual credit score. Customers will also be able to deposit funds into their *Timiza* account through MPESA, pay utility bills, send and receive money directly to other *Timiza* users and save.

The *Timiza* account also allows one to sign up for a last expense and personal accident cover of up to Ksh 40,000 from Barclays Life Insurance and First Assurance. The app also comes embedded with a taxi hailing option in partnership with LittleCab. There are plans to expand the app capabilities in the future to include a virtual pre-paid card which will enable customers make online payments.

The Timiza account also allows one to sign up for a last expense and personal accident cover of up to Ksh 40,000 from Barclays Life Insurance and First Assurance.

According to the Communications Authority of Kenya, for the period between July to September 2017, active mobile money transfer subscriptions and agents stood at 28.1 million and 184,537 respectively. In addition, a total of 537.2 million transactions (sending and withdrawals) were made during the period which was valued at Ksh1.65 trillion. The period also saw 352.4 million mobile commerce transactions made with Ksh 714.3 billion spent in buying goods and services person to person transfers amounted to Ksh 544.1 billion.

The bank is seeking to leverage this rising adoption of digital platforms with most consumers now expressing a strong preference for mobile and internet banking over the traditional in-branch transactions. A survey of 2,600 banking customers in six African countries released by McKinsey in February showed that a majority of customers (53%) across the economic segments prefer either internet or mobile channels, compared to 26 per cent.

Big data and analytics unfolded

Microsoft, in partnership with the Big Data and Analytics community in Nairobi hosted a workshop to educate organizations on the capabilities and opportunities that are possible if Big Data and the Cloud, two powerful technological tools are harnessed and leveraged correctly.

By Njeri Muri

“Though many organizations want to make use of Big Data, IT departments have difficulty in making it comprehensible and cost effective – largely because, up until now it has been neither. Often times, companies are looking for solutions that will not create a big dent in operational spend, and where solutions are costly – understanding how to make use of them becomes a challenge. We’ve found that key to mitigating the latter, begins with housing your solution in one place – a single App.” Sebah Haileleul, General Manager for East Africa at Microsoft, explains

Three major trends that will shape and shoulder disruption in the future include; Astronomical explosion of data, By 2020, data will reach 44ZB, quadruple what it is today, Cloud adoption ; 4 out of every 5 companies invest in public cloud technologies. Artificial intelligence, AI gives life to all that data we’re creating. This year alone, investment in AI has increased 300%.

If we ensure that all devices are interconnected, we can leverage AI everywhere and have true serverless computing power to make it easier and quicker access to that data and a more seamless experience.

Big Data and Analytics applications can improve almost

every aspect of an organization; Inventory management, remote monitoring, Predictive maintenance, Personalized and having data-driven services that helps organizations explore new business opportunities.

Intelligent solutions will enable differentiation in organization where they will offer Services that build cognitive understanding. Cognitive services make it possible to infer emotions and reactions

Finally, organizations will have services that enable conversations as a platform, allowing users to interact in natural language wherever they are communicating, from text/SMS to Skype, Office 365 mail and other popular services

Microsoft AI is delivered through; Innovations that extend your capabilities to do more and be more productive, made available to billions of people through the next generation of applications, experiences and personal assistants. It is also done through a powerful platform that makes AI accessible by every developer and organization through services and tools that combine productivity with power. And finally through trusted approach that puts you in control, with intelligence that is transparent and secure, setting the highest bar for protecting privacy.

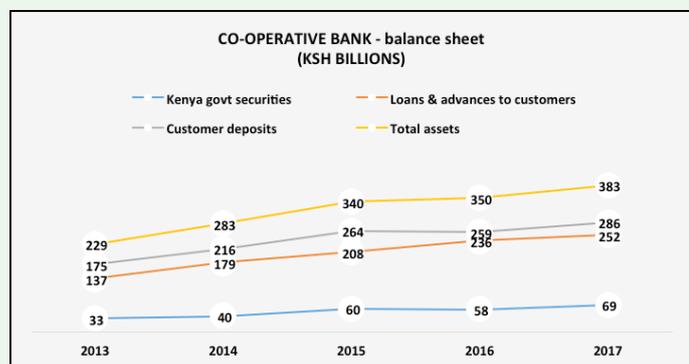
Co-Operative Bank of Kenya profit dips by 8.4%

Co-operative bank of Kenya, the 3rd largest bank in the region in terms of assets, recorded a drop in profit before tax by 8.4% from KSh 18.02bn in 2016 to KSh 16.5bn for the year ended 2017. The slight drop in performance is attributed to the challenging environment of interest rate cap and lower economic growth in an election year.

By Jack Odhiambo

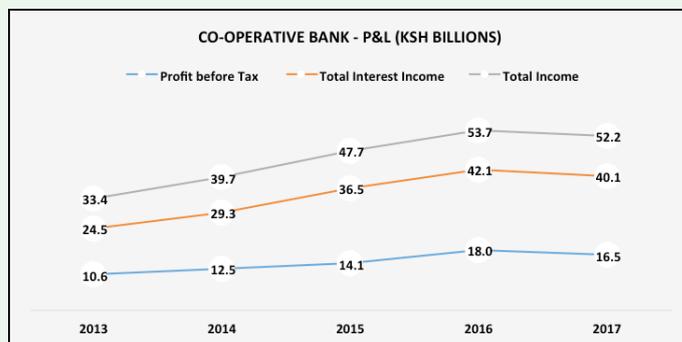
KSh Billions	% Change	2017	2016
Total Assets	9.4%	382.83	350.00
Customer Deposits	10.1%	285.57	259.47
Loans & Advances to Customers	6.8%	252.36	236.40
Profit Before Tax	-8.4%	16.50	18.02
Total Interest Income	1.4%	56.94	56.18
Total Non-Interest Income	4.0%	12.10	11.64
Operating Income	-2.6%	39.96	41.01
Operating Expenses	2.0%	23.45	22.99

Results Analysis		2017	2016
Loan Loss Provisions / Gross NPL	Down	32.47%	34.31%
NPL(Net of provisions) / Loans & Advances	Up	4.63%	2.66%
Total Insider Loans / Core Capital	Down	16.11%	17.34%
Total Insider Loans / Loans & Advances	Down	3.76%	3.81%

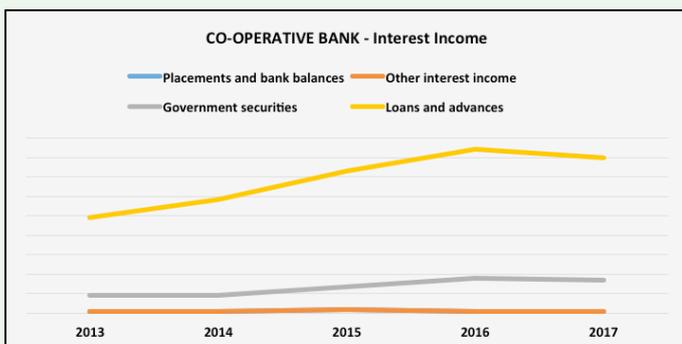


- Total assets increased by 9.4% from KSh 350bn in 2016 to KSh 383bn in 2017; This is an overall increase of 67.3% from KSh 229bn in 2013

- Customer deposits increased by 10.1% from KSh 259bn in 2016 to KSh 286bn in 2017; This is an overall increase of 63.4% from KSh 175bn in 2013
- Loans & advances to customers increased by 6.8% from KSh 236bn in 2016 to KSh 252bn in 2017; This is however a 84.1% overall increase from KSh 137bn in 2013
- Investments in Kenya government securities also increased by 19.8% from KSh 58bn in 2016 to KSh 69bn in 2017; This is an overall rise of 107% from KSh 33bn in 2013



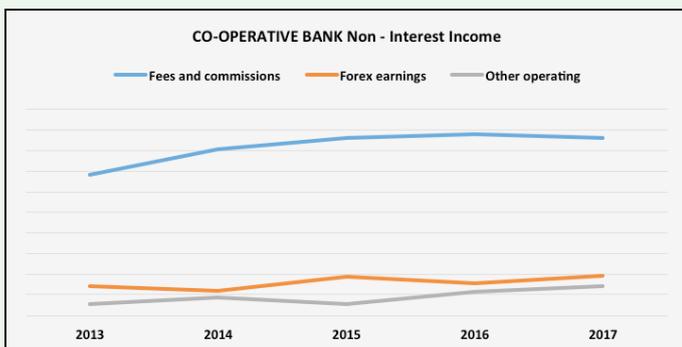
- PBT decreased by 8.4% from KSh 18bn in 2016 to KSh 16.5bn in 2017; This however is an overall increase of 55.6% from a profit of KSh 10.6bn in 2013
- Total income decreased by 2.9% from KSh 53.7bn in 2016 to KSh 52.2bn in 2017; This however is a 56.2% overall increase from KSh 33.4bn in 2013
- Total interest income also decreased by 4.8% from KSh 42.1bn in 2016 to KSh 40.1bn in 2017; This however is a 63.6% overall increase from KSh 24.5bn in 2013.



Interest Income (KSh Billions)

KSh Billions	% Change	2017	2016	2015	2014	2013
Interest on loans and advances	-4.6%	31.72	33.26	29.85	24.67	20.04
Interest on government securities	-3.3%	8.20	8.48	6.07	4.31	4.11
Interest on placements and bank balances	-51.4%	0.17	0.36	0.60	0.29	0.36
Other interest income	-	-	-	-	-	-
Total		40.1	42.1	36.5	29.3	24.5

- Interest earned from loans and advances decreased by 4.6% to KSh 31.72bn from KSh 33.26bn; Interest earned from government securities also decreased by 3.3% as well as the interest on placements and bank balances that decreased by 51.4%.



Non - Interest Income (KSh Billions)

KSh Billions	% Change	2017	2016	2015	2014	2013
Fees and commission income	-2.1%	8.64	8.82	8.65	8.08	6.83
Forex Earnings	21.5%	1.95	1.60	1.88	1.20	1.44
Other operating Income	25.3%	1.44	1.15	0.55	0.90	0.58
Total		12.0	11.6	11.1	10.2	8.9

- Fees and commissions income marginally decreased by 2.1% to KSh 8.64bn from KSh 8.82bn; Foreign exchange earnings and other operating income increased by 21.5% and 25.3% respectively.



Taxify Unveils Passenger Motorbike Service 'taxify boda'

Taxi hailing service provider 'Taxify' has introduced a new motor bike hailing service that works within their existing smartphone application being used by vehicles.

By Nelius Kanyingi

Kenya marks the second country amongst countries where the firm operates, that it has launched the service known as Taxify Boda.

Speaking during the launch event in Nairobi, Chisom Anoke, Taxify Kenya Operations Manager said that the firm had developed the new service in response to a growing demand for a safe, organized and reliable motorbike service.

"Rising use of motorcycle riders for public passenger transport is a reality that we have to live with particularly in Nairobi where traffic jams and

The system we have in place enables us to carry out thorough background checks in partnership with the NTSA and the Kenya Police Service

clogged roads delay movement,” he explained.

To incentivize Taxify Boda drivers, the firm has started off with an attractive offer to the drivers with a minimum fare of KES 50 per trip. The fare is set at KES 30 base, KES 15 per KM and KES 3 per minute; and with conservative estimates that the Taxify Bodas will carry out 100 trips per day, the firm expects each one to take home Kshs 1,500 gross daily income translating to Kshs 45,000 per month.

Taxify Boda will place a strong emphasis on safety for both the driver and passenger. Anoke explained that the application is able to monitor the behavior and providing passengers with a platform to immediately share user experience and rate the driver.

The firm has put in place stringent rules to ensure the safety of passengers. It is mandatory for both the rider and the passenger to wear a helmet and a reflective jacket. Nobody except those with disabilities are allowed to sit facing sideways as the rules only allow passengers to sit astride.

Anoke explained that by providing a smart phone application linking passengers to motorcycle drivers, Taxify Boda is contributing to the overall structuring of the

informal transport economy, estimated to already ferry at least 10,000 people daily in Nairobi alone.

“We want to help the motorcycle drivers formalize their businesses by providing them with a platform to track trips, earnings and even plan for personal development initiatives such a saving with a sacco. Since they are already trying to establish formal groupings, Taxify Boda will greatly raise their operational focus and even eventually make it easier for them to afford to purchase new motor cycles,” she added.

The firm has also invested in additional driver technical and first aid training and certification to ensure that those who have signed up are exposed and commit to the strict safety requirements. “We want to bridge this crucial gap by reinforcing the need for Taxify Boda drivers to have this training and certification”, said Anoke.

Taxify will work closely with National Transport Safety Authority officials and Kenya Police Service to enforce the safety guidelines.

Interested drivers will be required to use motorcycles whose earliest year of manufacture is 2015. They will also need Public Service Vehicle Insurance, two reflective jackets and two helmets.

The drivers will also undergo thorough verification before being accepted by Taxify. “The system we have in place enables us to carry out thorough background checks in partnership with the NTSA and the Kenya Police Service”, said Anoke

Drivers who are found to have contravened the rules will be automatically blocked based on the passenger ratings. If necessary, the cases will be escalated to the safety and police authorities for further disciplinary action.

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EDITORIAL:

PUBLISHER & EDITOR IN CHIEF

Ochieng Oloo

WRITERS

Njeri Murigi
Nelius Kanyingi
Jack Odhiambo

GRAPHIC DESIGN

Jeremiah Ombok

LOGISTICS

Frank Agutu

CORPORATE:

FOUNDER & CEO

Ochieng Oloo

FINANCE DIRECTOR

Caleb Orwa

ACCOUNTANT

Humphrey Odongo

COMMERCIAL MANAGER

Purity Kongere

HEAD OF RESEARCH

Bede Nesbitt

RESEARCH ANALYST

Dave Oricho
Jack Odhiambo

INTERNS

Miriam Pareyo
Rachael Kibe

MARKETING EXECUTIVES

Joan Williams

ADMIN

Wendy Adhiambo

DIGITAL MARKETING CO-ORDINATOR

Daniel Ogeto

CONTACTS

Think Business Limited,
87 Rhapta Road, Westlands
P.O. Box 12800 - 00100, GPO, Nairobi
Tel: +254 020 4453881/2,
E: editorial@thinkbusiness.co.ke
Web: www.thinkbusinessafrica.com