

MIRA INFORM REPORT

Report No. :	524705
Report Date :	18.08.2018

IDENTIFICATION DETAILS

Name :	CPF FINANCIAL SERVICES LTD.
Registered Office :	CPF House, 7th Floor Haile Selassie Ave, P. O. Box 28938-00200, Nairobi
Country :	Kenya
Financials (as on) :	31.12.2017
Date of Incorporation :	03.06.1998
Legal Form :	Limited Corporation
Line of Business :	Mandate to administer Local Authorities Pensions Trust (a Defined Benefit Scheme), Laptrust (Umbrella) Retirement Fund (a Defined Contribution Scheme) and CPF (Individual) Pension scheme i.e. provide retirement, financial, infrastructural and consulting solutions.
No. of Employees :	250

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A
------------------------	---

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	No Complaints
Litigation :	Clear

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

NOTES:

Any query related to this report can be made on e-mail: infodept@mirainform.com while quoting report number, name and date.

ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Kenya	B1	B2

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

KENYA - ECONOMIC OVERVIEW

Kenya is the economic, financial, and transport hub of East Africa. Kenya's real GDP growth has averaged over 5% for the last decade. Since 2014, Kenya has been ranked as a lower middle income country because its per capita GDP crossed a World Bank threshold. While Kenya has a growing entrepreneurial middle class and steady growth, its economic development has been impaired by weak governance and corruption. Although reliable numbers are hard to find, unemployment and under-employment are extremely high, and could be near 40% of the population. In 2013, the country adopted a devolved system of government with the creation of 47 counties, and is in the process of devolving state revenues and responsibilities to the counties.

Agriculture remains the backbone of the Kenyan economy, contributing one-third of GDP. About 75% of Kenya's population of roughly 48.5 million work at least part-time in the agricultural sector, including livestock and pastoral activities. Over 75% of agricultural output is from small-scale, rain-fed farming or livestock production. Tourism also holds a significant place in Kenya's economy. In spite of political turmoil throughout the second half of 2017, tourism was up 20%, showcasing the strength of this sector. Kenya has long been a target of terrorist activity and has struggled with instability along its northeastern borders. Some high visibility terrorist attacks during 2013-2015 (e.g., at Nairobi's Westgate Mall and Garissa University) affected the tourism industry severely, but the sector has rebounded strongly in 2016-2017 and appears poised to continue growing.

Inadequate infrastructure continues to hamper Kenya's efforts to improve its annual growth so that it can meaningfully address poverty and unemployment. The KENYATTA administration has been successful in courting external investment for infrastructure development. International financial institutions and donors remain important to Kenya's growth and development, but Kenya has also successfully raised capital in the global bond market issuing its first sovereign bond offering in mid-2014, with a second occurring in February 2018. The first phase of a Chinese-financed and constructed standard gauge railway connecting Mombasa and Nairobi opened in May 2017.

Underlying weaknesses were exposed in the banking sector in 2016 when the government was forced to take over three small and undercapitalized banks. In 2016, the government enacted legislation that limits interest rates banks can charge on loans and set a rate that banks must pay their depositors. This measure led to a sharp shrinkage of credit in the economy. A prolonged election cycle in 2017 hurt the economy, drained government resources, and slowed GDP growth. Drought-like conditions in parts of the country pushed 2017 inflation above 8%, but the rate had fallen to 4.5% in February 2018.

The economy, however, is well placed to resume its decade-long 5%-6% growth rate. While fiscal deficits continue to pose risks in the medium term, other economic indicators, including foreign exchange reserves, interest rates, current account deficits, remittances and FDI are positive. The credit and drought-related impediments were temporary. Now In his second term, President KENYATTA has pledged to make economic growth and development a centerpiece of his second administration, focusing on his "Big Four" initiatives of universal healthcare, food security, affordable housing, and expansion of manufacturing.

Source : CIA

SUBJECT'S NAME

Registered Name: **CPF FINANCIAL SERVICES LTD.**
Requested Name: **CPF FINANCIAL SERVICES LTD.**
Other Names: **None**

ADDRESS AND TELECOMMUNICATION

Physical Address: **CPF House, 7th floor Haile Selassie Ave,**
Postal Address: **P. O. Box 28938-00200**
Nairobi,
Country: **Kenya**
Phone: **254-2046901/2/3/4/5**
Cell: **254-720433354**
Fax: **254-2046901**
Email: **info@cpf.or.ke**
Website: **www.cpf.or.ke**

CREDIT OPINION

Financial Index as of December 2017 shows subject firm with a medium risk of credit. However, bank and credit information obtained reveal a history of prompt payments.

LEGAL

Legal Form: **Limited Corporation**
Date Incorporated: **03-June-1998**
Reg. Number: **--**
Income **KES. 258,429,000**
Subscribed Capital is Subscribed in the following form:

	Position	Shares
Julius Kangogo Kipng'etich	Chairman	
Hosea Kili	Group MD/ CEO	
Joseph Rono	Director	
Christine Nyamwanda	Director	
Jonathan Marucha	Director	
Stephen Lugalia	Director	
John Katiku	Director	

Catherine Nyambala	Director	
Rosemary Ndiritu	Director	
Sahlan M. Keinan	Director	
Retirement Benefits Authority (RBA)	Parent	100%

RELATED COMPANIES

Retirement Benefits Authority (RBA)	Parent company.
None	Subsidiary company.
None	Affiliated company.
None	Shareholder of subject firm.
Various in Kenya	Branches of the firm

OPERATIONS

Mandate to administer Local Authorities Pensions Trust (a Defined Benefit Scheme), Laptrust (Umbrella) Retirement Fund (a Defined Contribution Scheme) and CPF (Individual) Pension scheme i.e. provide retirement, financial, infrastructural and consulting solutions.

Imports:	Asia
Exports:	None
Trademarks:	None
Terms of sale:	100% tenders

Main Customers:	General Public, firms and organizations
Employees:	250 employees.
Vehicles:	Several motor vehicles.
Territory of sales:	Kenya
Location:	Owned premises, 100,000 square feet,

AUDITORS AND INSURANCE

Auditors:	Deloitte & Touche
Insurance Brokers:	Information not available.

FINANCE

Currency Reported:	Kenyan Shillings (KES.)
Fiscal Year End:	December 31, 2017

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Inflation:

According to information given by independent sources, the inflation at December 31st, 2017 was of 13%.

Financial Information Submitted Below

BANK

Bank Name: Kenya Commercial Bank Limited
Branch: Kenya
Comments: None

TRADE REFERENCES

Experiences: Good

NOTARIAL BONDS

None

COMMENTS/ ADDITIONAL INFORMATION

This information was obtained from outside sources other than the subject company itself and confirmed the above subject.

Statement of Changes in Net Assets Available for Benefits

for the year ended december 2017

	2017 Shs'000	2016 Shs'000
CONTRIBUTIONS AND WITHDRAWALS		
Contributions	2,813,606	1,580,340
Transfers in	-	995
Transfers out	-	-
Withdrawals and risk based benefits	(139,989)	(114,772)
Net surplus from dealings with members	2,673,617	1,466,563
RETURN ON INVESTMENTS		
Investment income	258,429	90,748
Investment management expenses	(7,119)	(3,677)
Fair value gain/(loss) on revaluation of investments	124,944	(7,611)
(Loss)/gain on realization of investments	(9,367)	7,450
Other Income	7,807	-
NET RETURNS ON INVESTMENTS	374,694	86,910
FUND EXPENSES	(207,897)	(71,030)
PROVISION FOR DOUBTFUL DEBTS	2,663,944	1,363,243
NET ASSETS AT 1 JANUARY	2,089,239	725,996
NET ASSETS AT 31 DECEMBER	4,753,183	2,089,239

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Statement of Changes in Net Assets Available for Benefits

for the year ended december 2017

	2017 Shs'000	2016 Shs'000
Cash and bank balances	41,420	79,123
Government securities – available for sale	1,686,619	840,515
Treasury bills	298,246	67,902
Fixed deposits	450,435	372,037
Call deposits	159,071	23,152
Corporate bonds	275,599	35,492
Commercial Papers	152,440	-
Contributions receivable	620,478	266,208
Quoted investments	883,515	256,086
Due from related parties	62,441	217,018
Investment Property	123,550	-
Other receivables	80,206	16,855
	4,834,020	2,174,388
LIABILITIES		
Payables and accruals	(80,737)	(72,453)
Due to related parties	(100)	(12,696)
	(80,837)	(85,149)
NET ASSETS	4,753,183	2,089,239
REPRESENTED BY:		
FUND BALANCE	4,753,183	2,089,239

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.23
UK Pound	1	INR 89.37
Euro	1	INR 79.97
KES	1	INR 0.69

Note: Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	VIVR
Report Prepared by :	NIT

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)