

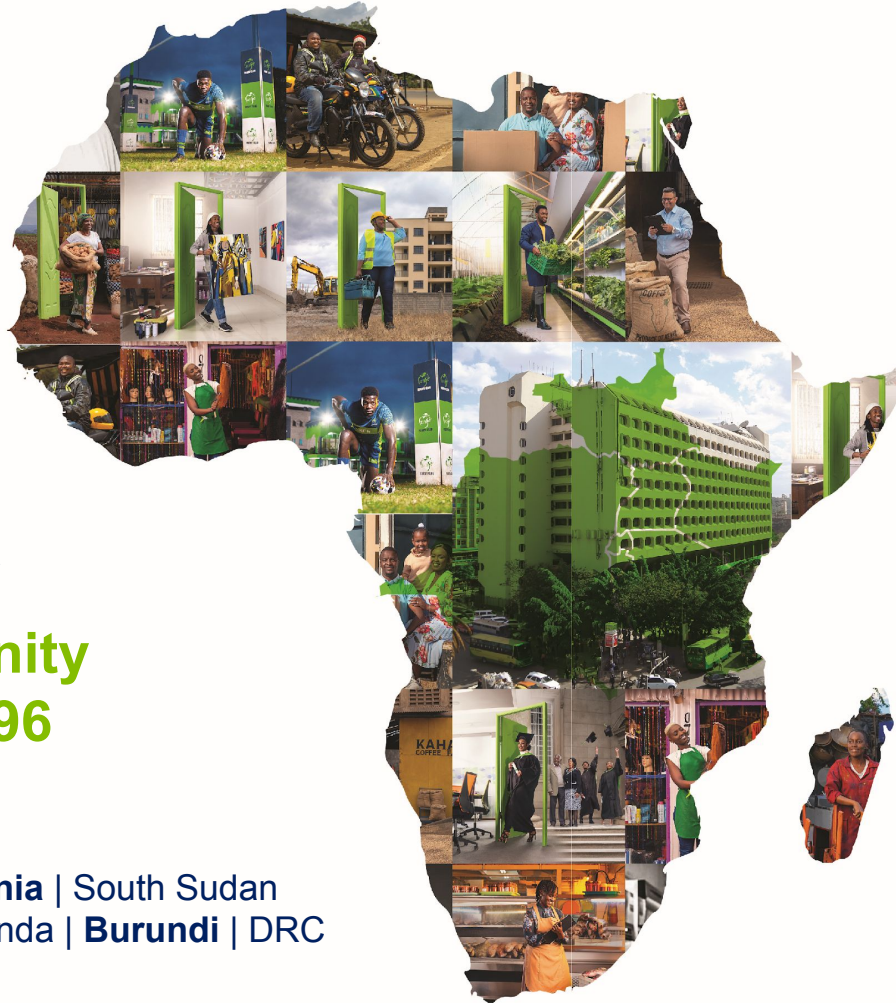


DCED Global Seminar 2024

TRANSFORMING MSMEs
KCB BANK KENYA

2 OCTOBER 2024

➤ **We leverage our wide footprint** to promote regional commerce, facilitate economic growth, and link millions of people to possibilities on the African continent and beyond.



Opening
Doors of
Opportunity
since 1896

Kenya | Tanzania | South Sudan
Rwanda | Uganda | Burundi | DRC

For People.
For Better.

Closer. Connected. Courageous.

38 M Customers



1.2 M Agents and Merchants



12,287 Dedicated employees



1,318 ATMs



583 Branches



Why KCB is interested in MSME's

- Micro, Small, and Medium Enterprises-MSMEs represent 90% of the global businesses, contributing 60-70% of total employment and 50% of GDP.
- The MSMEs play an instrumental role in the Kenyan economy and contribute substantially towards poverty reduction, employment, and income generation.
- Kenya has an estimated 1.5 million formally registered MSMEs and over 5 million informal MSMEs. Collectively generating 30% of the GDP and provide non-agricultural employment to about 15 million people.

Focus on Growing SME Business.

Cash flow based lending

Both Long term and short term

Unsecured loans

Use of various risk models to classify customers for unsecured lending.

Digital loans & Overdrafts:

Short -term working capital loans

Access via mobile phone

Retailer Financing:

Supplier and value chain finance models to support retailers for stock financing

Payment & Collection channels

Robust internet banking, collection till-LNK, stable internet banking and mobile banking

Wide agency banking network.

Over 350 ATMS and Cash Deposit Machines

210 branches across all counties

Capacity building:

Business club for trainings, networking & interactions.

Achievements in 2023:

219 webinars, 46 business workshops, number of MSMEs engaged 145K

FLME - Female Led & Made Enterprises:-

Proposition where the bank has set aside up to Kes 250B to support credit to women entrepreneurs

Non-Financial support to MSME

Informal sector in Kenya employed roughly 15.96M individuals in 2022 representing 83% of work force. Key sectors include Trade, Artisans, Transport and Construction.

KCB Bank support to this sector

- Support credit access to Micro business using household items-chattels as collateral.
- Facilitates trainings of informal groups and provide credit under co-guaranteeing model
- Supports in formalization of self-help groups into investment groups for lending purposes
- Biashara Club , a platform for businesses to engage, network and offer knowledge and information on business development and management
- De-risking of informal business through capacity building and trainings
- Mapping and coaching of informal MSMEs.
- Onboarding of very small businesses and start ups nature them, then integrate them into

Partnerships & Risk Mitigation

The Bank has partnered with various stakeholders in supporting growth to the MSME business.

- **National Treasury:** Credit Guarantee scheme that supports access to Credit for the MSMEs for facilities of up to KES 5M.
- **County Governments:** Mobilization of groups and training of micro businesses
- **IFC, WWB – Argidius Foundation & SANAD/BIO:** Capacity building and training for Female Led & Made Enterprises (FLME)
- **Bill & Melinda Gates Foundation:** Financial inclusion to marginalized and low-income women
- **Mastercard Foundation;** support channeled through KCB Foundation for skilling the informal sector
- **SIDA :** Partnership with Swedish Government in derisking MSME loans for vulnerable groups e.g.

Other interventions to support MSME growth

- **Prescoring tool and risk-based pricing:** through prescoring business model we categorize customers into different possible risk profiles for ease of loan limits and pricing
- **Staff trainings:** Continuous staff trainings for sales teams and credit teams on both soft skills and technical skills
- **Capacity building and trainings:** The bank through Biashara Club and KCB foundation continuously offer financial trainings and business development skills to customers.
- **3rd party support** includes partnerships with Metropol Company for customer visit reports as second support to our own staff.



Thank You
Asante Sana