



Consumer Survey – Banking Amendment Act 2016

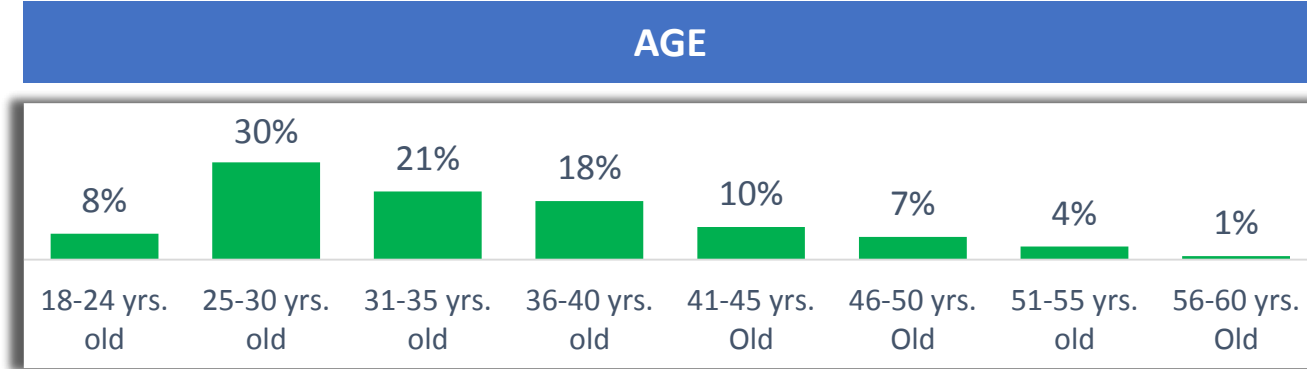
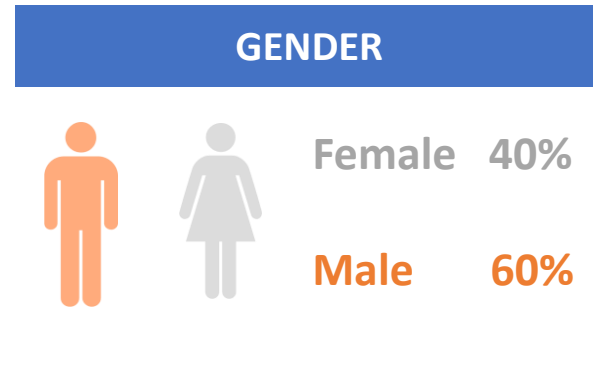
KBA Survey Conducted by Nielsen between January and February 2017

Presented on 22nd March 2017, Hilton Hotel

WE SPOKE TO 1,884 BANK CUSTOMERS (January – February 2017)

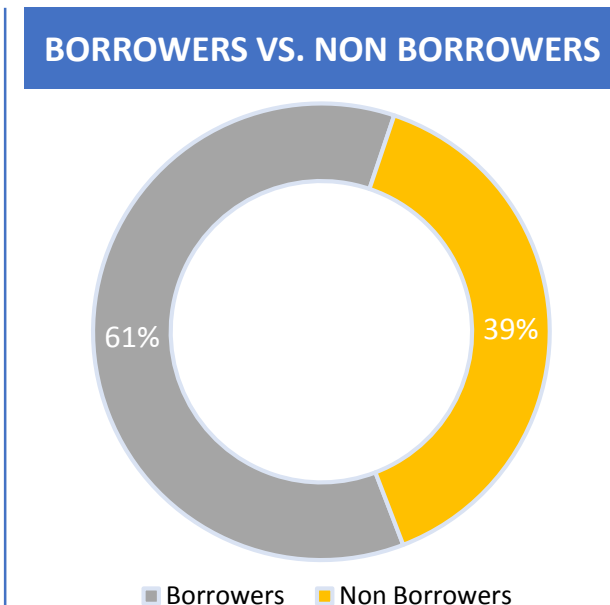
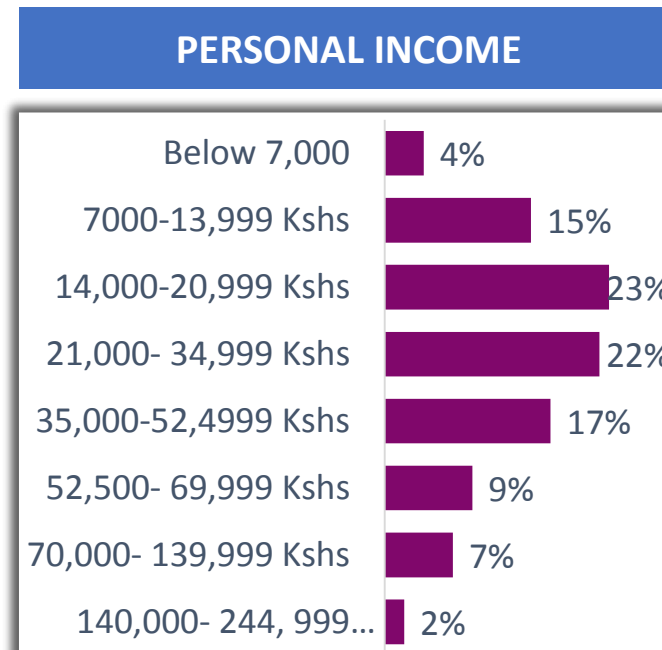
Source: Nielsen, 2017

REGION	SAMPLE SIZE
NAIROBI	247
CENTRAL	247
MOMBASA	239
COAST	40
MID EASTERN	168
LOWER EASTERN	112
NORTH EASTERN	30
NYANZA	300
CENTRAL RIFT	259
SOUTH RIFT	127
WESTERN	115
TOTAL	1,884

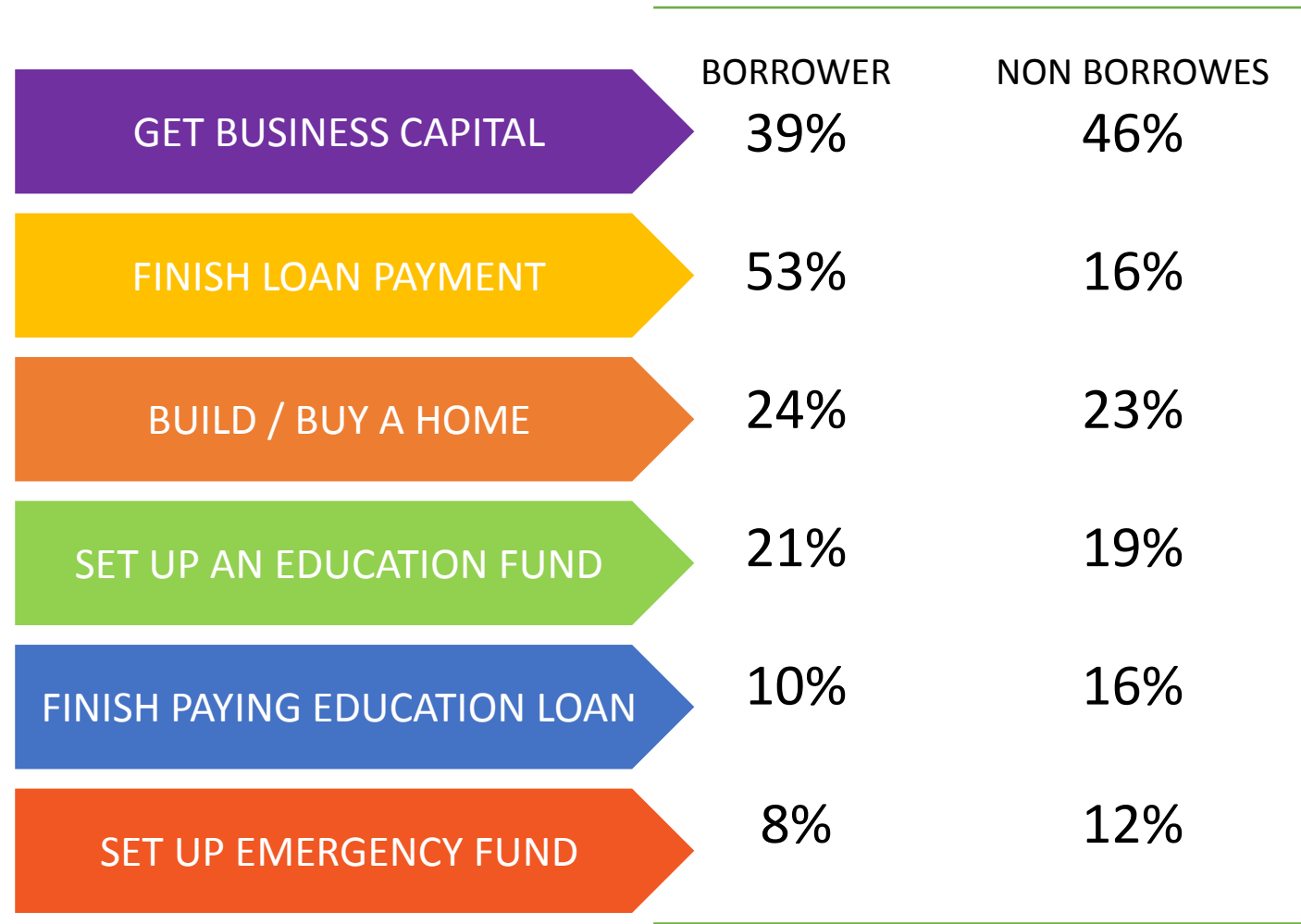


STATE OF EMPLOYMENT

Self-employed	50%
Full-time employee	35%
Part-time employee	8%
Temporarily/seasonally employed	4%
Full-time student	1%
Unemployed	1%



WHAT ARE THE FINANCIAL GOALS THAT CUSTOMERS HAVE?



Source: Nielsen, 2017

Borrowers n=1153
Non borrowers n=731

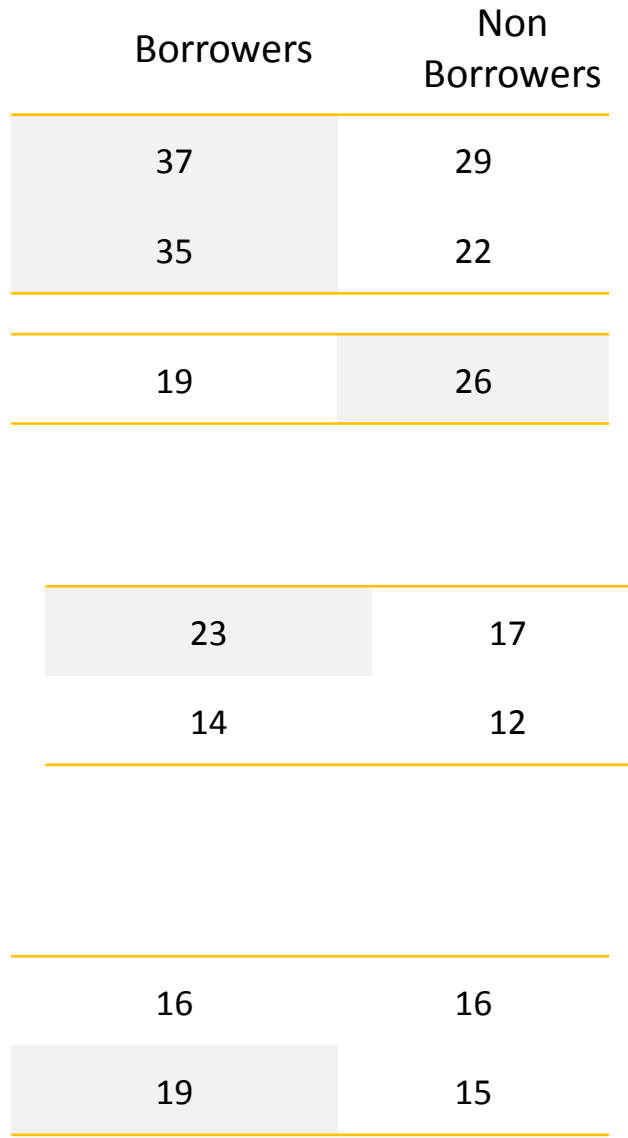
BANKING ACT IMPACT SEEN AS MORE ABOUT CUSTOMER SERVICE THAN ACCESS TO CREDIT

1. Customer Service
 2. My bank would improve on their customer service
 3. Banks will treat me better to get my deposits

2. No Change At All
 1. Nothing will change for me

3. Alternative Channel Improvements
 5. Microfinance and SACCOs would improve to compete against banks
 6. My bank would improve on their mobile banking

4. Access to Credit
 3. It would be harder for me to get a loan
 4. It would take longer for me to get a loan



■ Personal Loans

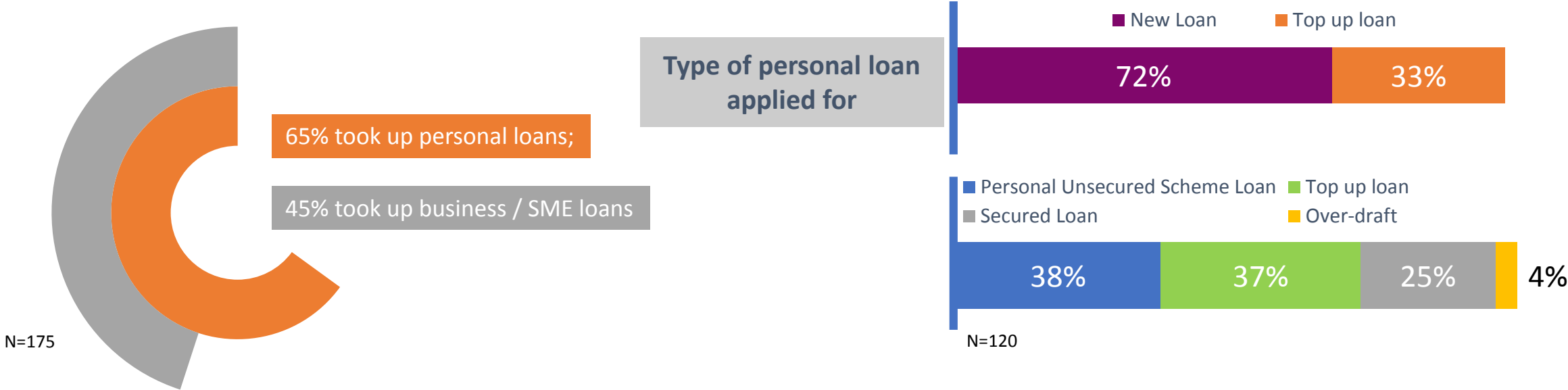
Base Borrowers n=792

Base non borrowers: N=426

Source: Nielsen, 2017

NATURE OF CREDIT BORROWED

➤ For those who have borrowed money since the amendment, majority applied for personal loans with the aim of funding their business operations especially men, while women borrowed more for education and to complete construction projects.

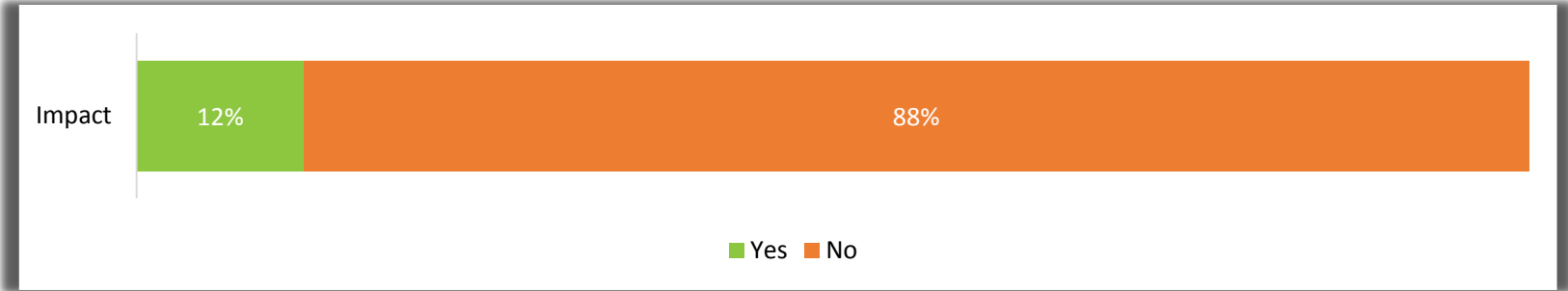


		PURPOSE OF LOAN		
Male	Female	Personal Loan	Business Loan	
49%	36%	To finance my business operations	45%	64%
31%	41%	To pay School fees / buy school books	37%	44%
26%	31%	To start or complete a construction project	25%	32%
11%	5%	To purchase Furniture	11%	12%
2%	23%	To pay Hospital bills / buy medicine	10%	8%
9%	0%	To buy electronics e.g. television, phone	5%	
5%	5%	To purchase household necessities	3%	8%
N=81	N=39		N=73	N=25

Few state that the change in legislation has had an impact in their borrowing culture

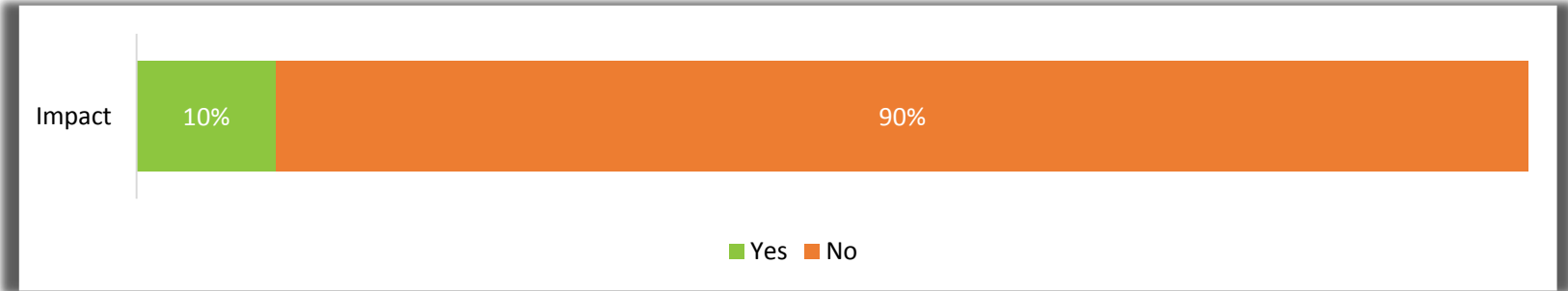
THOSE WHO CHANGED THEIR BORROWING BEHAVIOUR.

Borrowers



n=1153

Non Borrowers

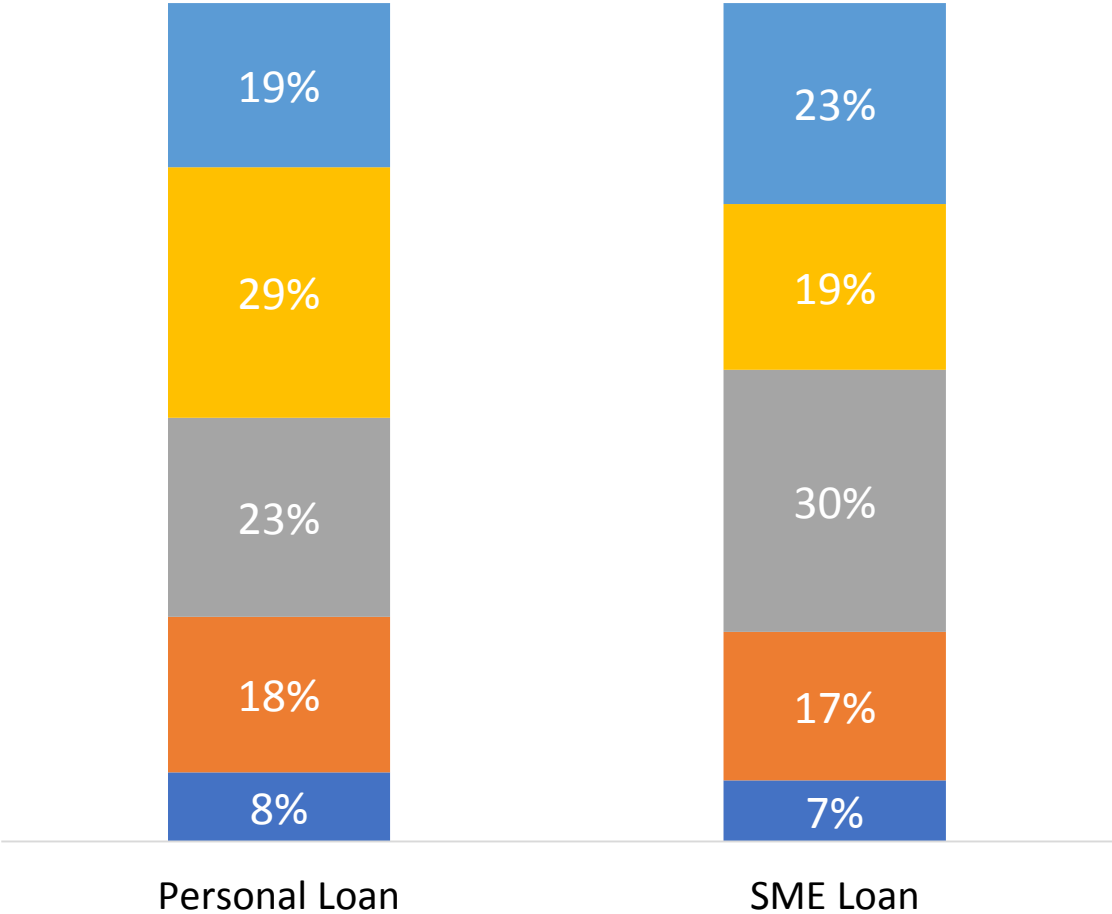


n=731

RESPONSE TO LOAN APPLICATIONS IS TAKING LONGER

WAITING DURATION FOR LOAN FEEDBACK

Source: Nielsen, 2017



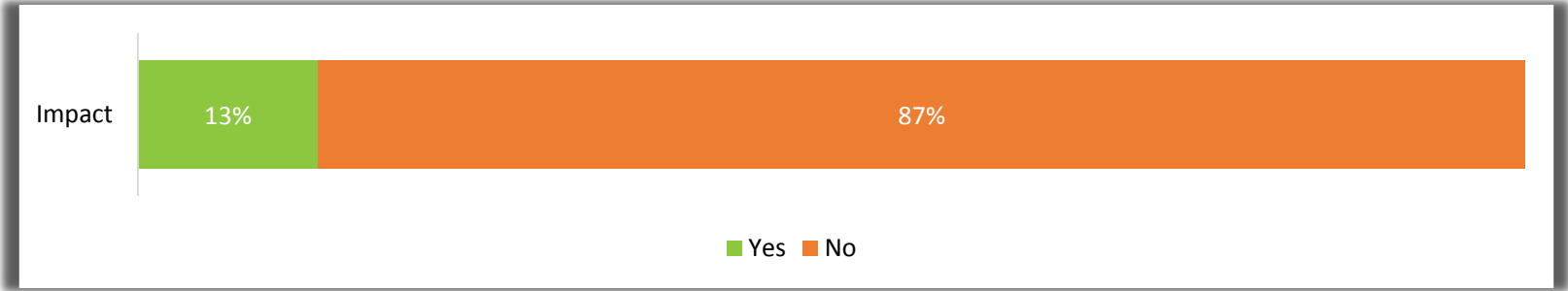
➤ Its taking 1 week to 2 weeks for loan approvals
➤ In some cases its taking as much as one month

■ Within a day ■ In 2 - 3 days ■ Within a week
■ Within 2 weeks ■ Within a month

No Significant Change in the Saving Culture

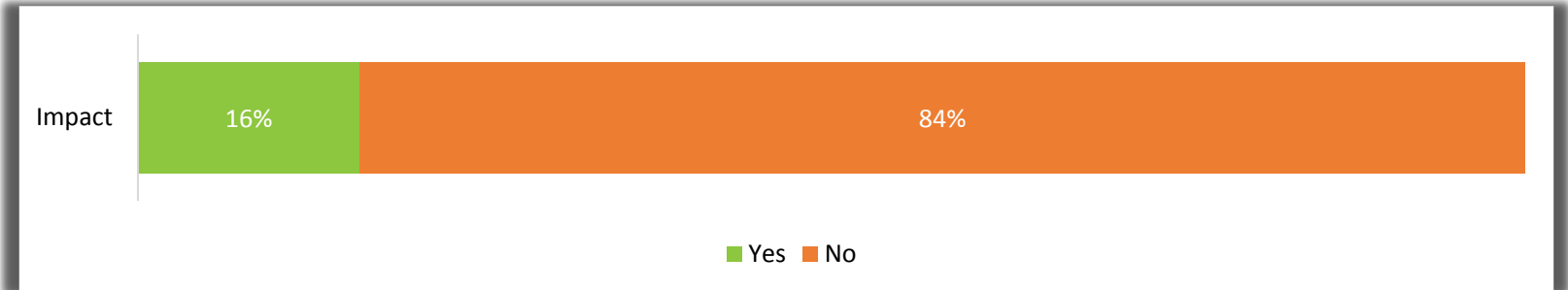
THOSE WHO CHANGED THEIR SAVINGS BEHAVIOUR.

Borrowers



n=1153

Non Borrowers



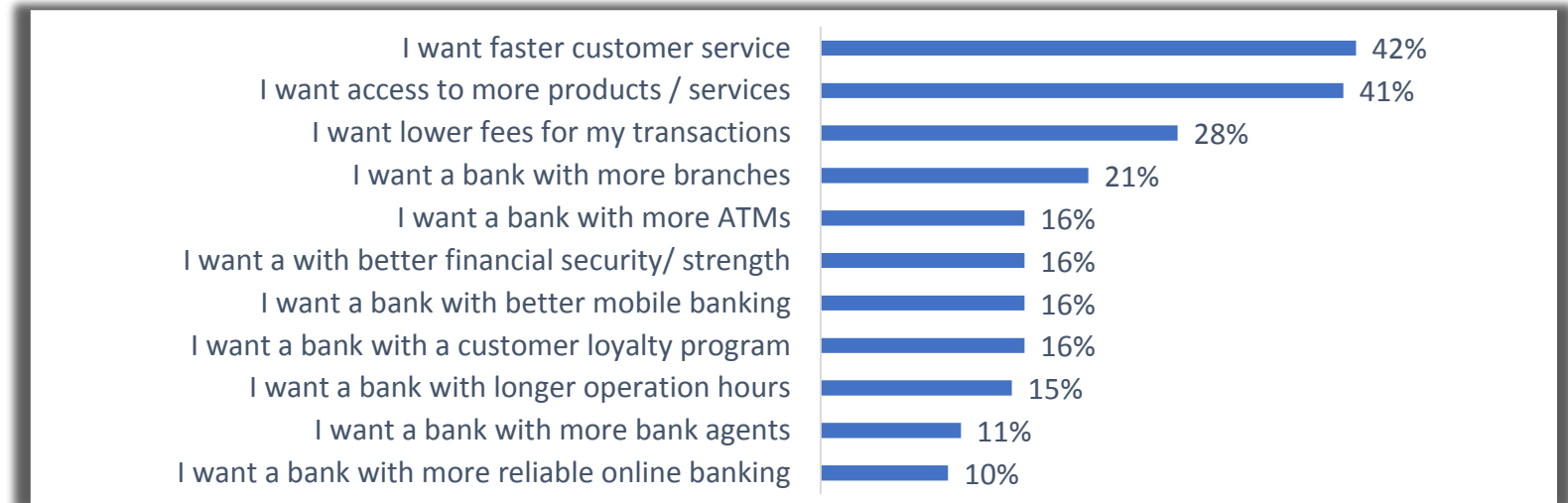
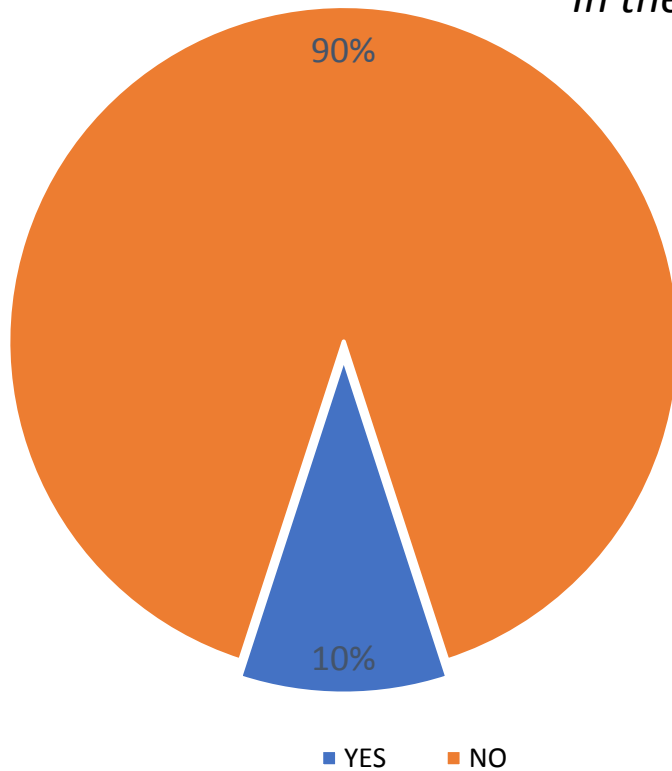
N=731

CUSTOMERS DON'T PLAN TO CHANGE BANKS BECAUSE OF THE ACT

...Customers' Main Issue is Service, Product Accessibility

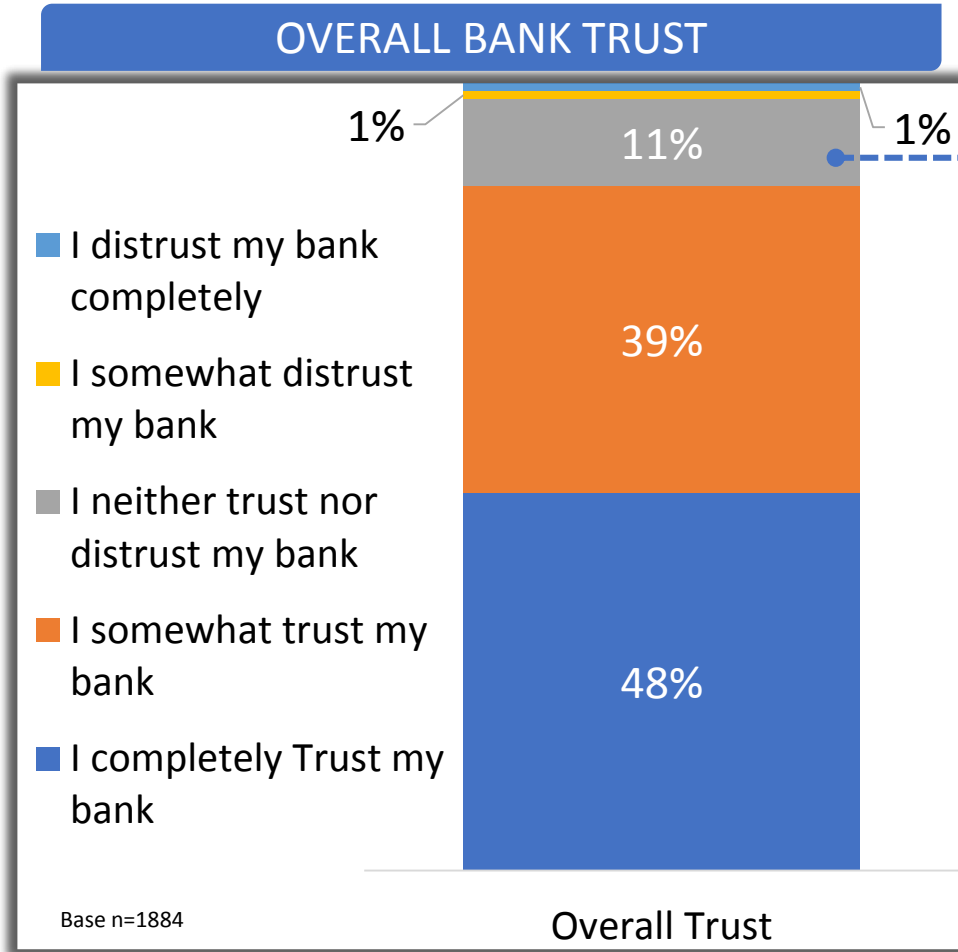
INTENTION TO SWITCH BANKS

In the next 6 months



Source: Nielsen, 2017

BANKS NEED TO WORK ON BUILDING CUSTOMERS' TRUST



AGE BREAK

	18-24	25-30	31-35	36-40	41-45	46-50	51-55	56-60	60 and above
T2B	87	89	87	85	88	85	88	75	83
B2B	2	2	2	2	1	2	2	8	0
Base	159	569	404	337	196	123	66	24	6

SEC BREAK

	A	B	C1	C2	D	E
T2B	79	83	86	90	84	80
B2B	0	3	2	2	3	9
Base	58	116	767	742	147	54

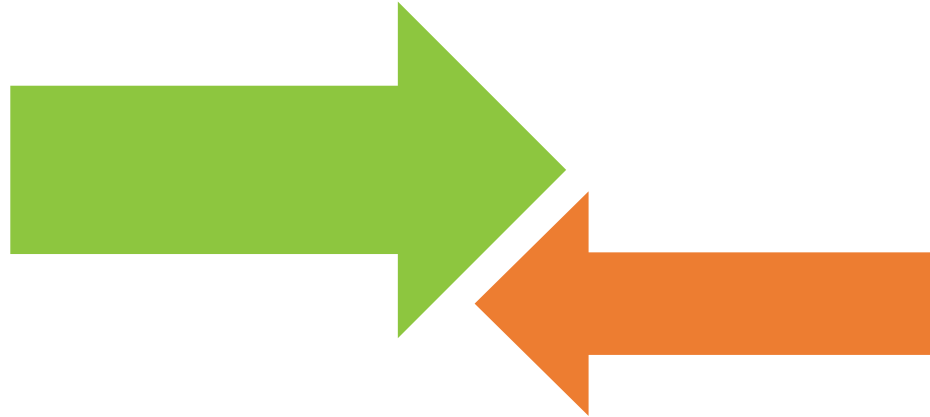
GENDER BREAK

	Male	Female
T2B	87	87
B2B	2	2
Base	1133	751

T2B- I completely trust my bank & I somewhat what trust my bank
B2B – I somewhat distrust my bank & I distrust my bank completely

GIVEN THE CHOICE, CUSTOMERS WOULD RATHER LOWER CREDIT Interest THAN Higher DEPOSIT RATES

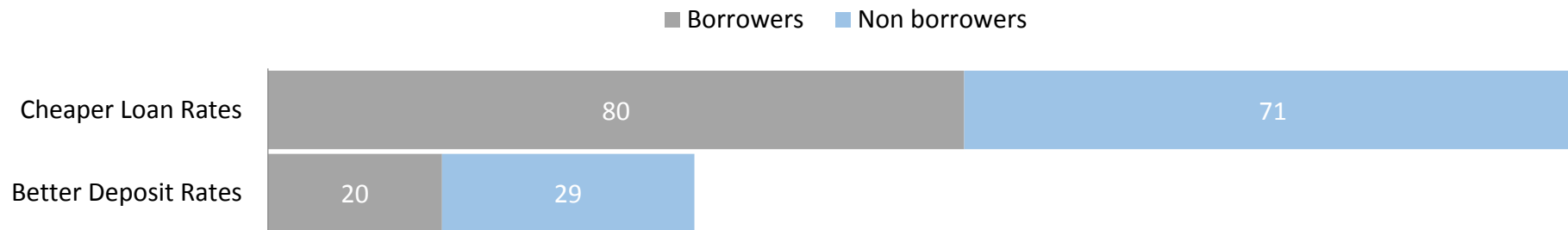
77% would rather have cheaper loan rates



23% would rather have better deposits rates

Base n=1884

FINANCIAL STATUS BREAK



Borrowers n=1153
Non borrowers n=731

Source: Nielsen, 2017