



Kenya's credit market landscape

Demand-side analysis of credit records
held by Creditinfo CRB

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Background and scope

- The analysis and report is based on credit records held by Creditinfo CRB.
- The analysis covers the period **2019 to 2023**
- The data is segmented according to:
 1. Borrower type (individual and non-individuals (companies))
 2. Type of loan (digital v non-digital)
 3. Sex of the borrower (female and male)
 4. Age of borrower
 5. Provider type (bank, MFB, MFI)
- Additional analysis was done according to listing status
- Objective of the analysis: to enhance the knowledge base on the functioning of Kenya's credit market for market development and policy action



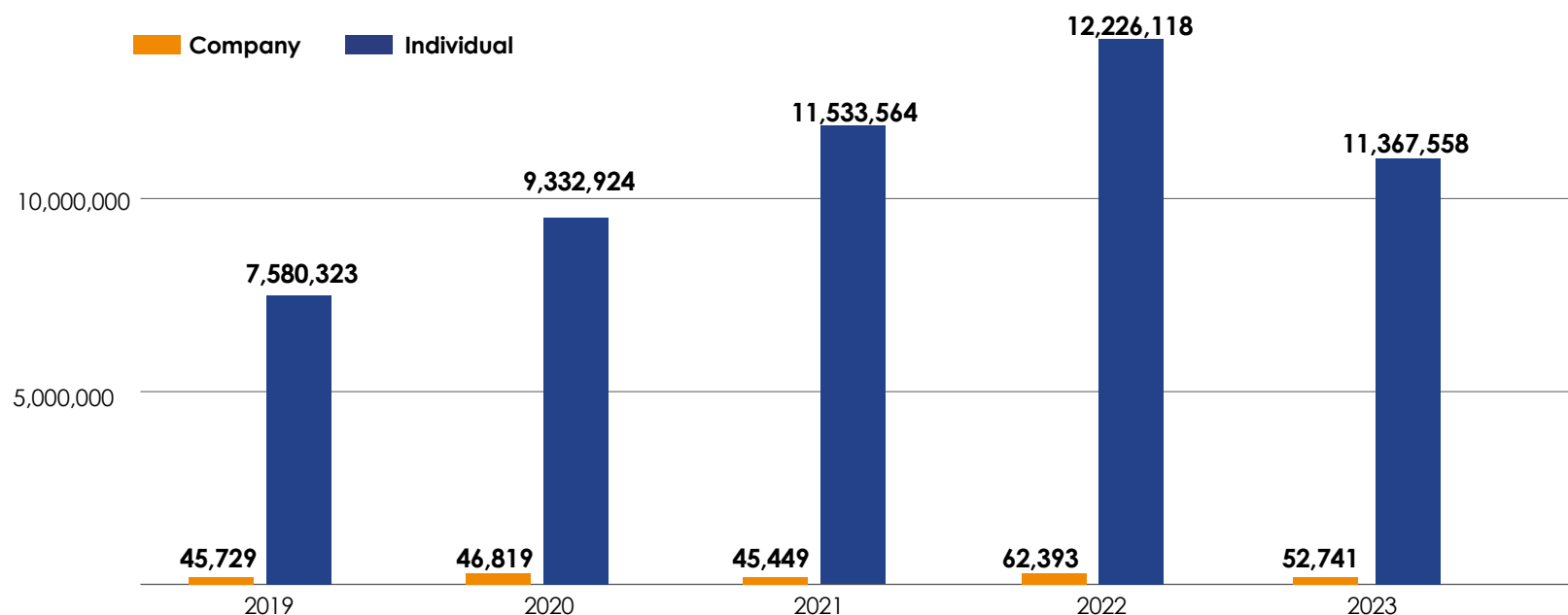
Limitations

- Policy and regulatory interventions aimed at mitigating adverse impacts of Covid-19 pandemic
- Incomplete records submitted to CRBs, e.g. borrower demographics

Summary findings on segmentation

1. Borrower type

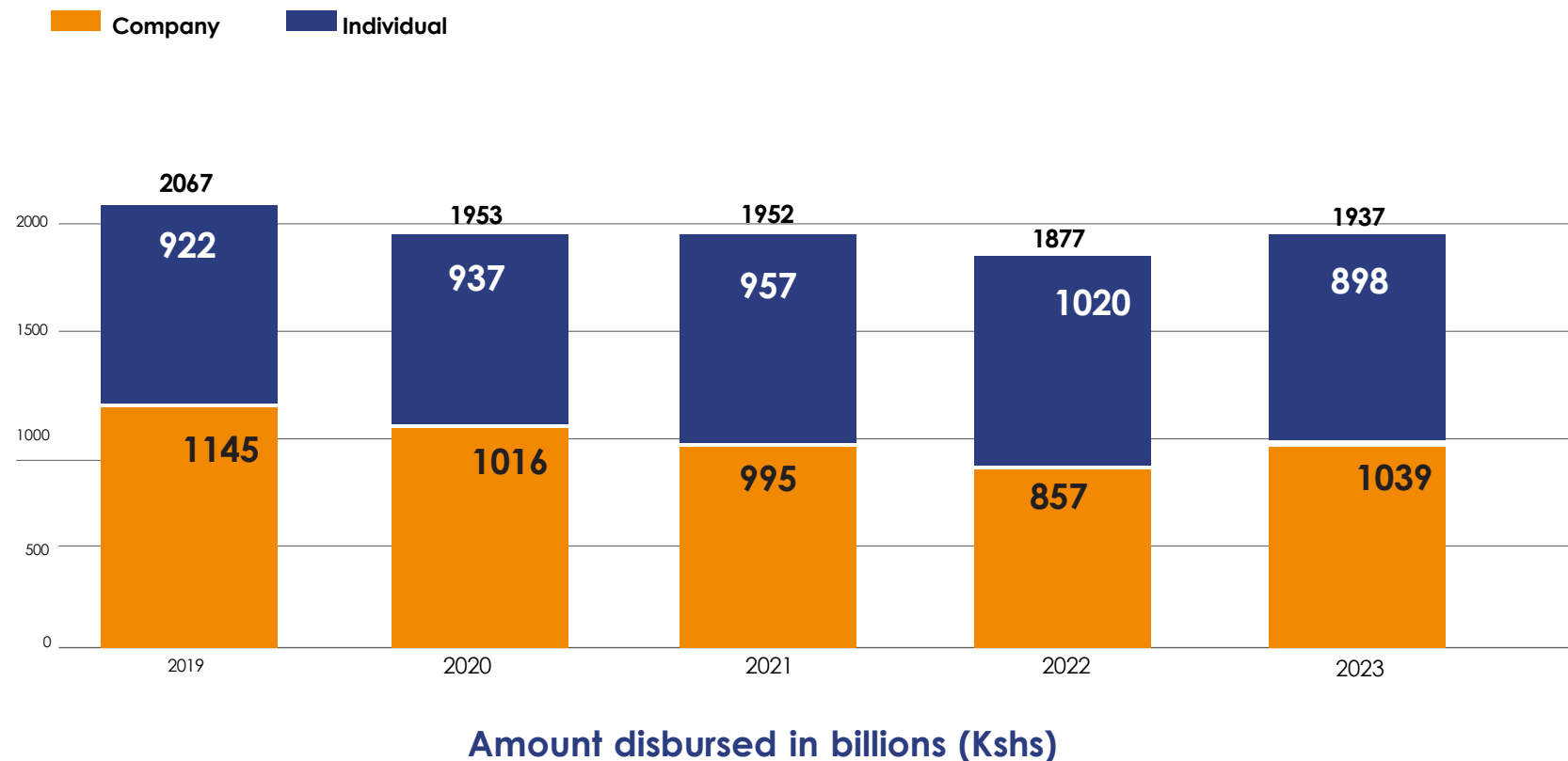
(a) Number of unique borrowers



- **27%** increase in number of individual borrowers
- **36%** increase for non-individuals
- At their peak in 2022 individual borrowers topped **12.2m**
- In the same year, corporate borrowers peaked at **62K**

1. Borrower type

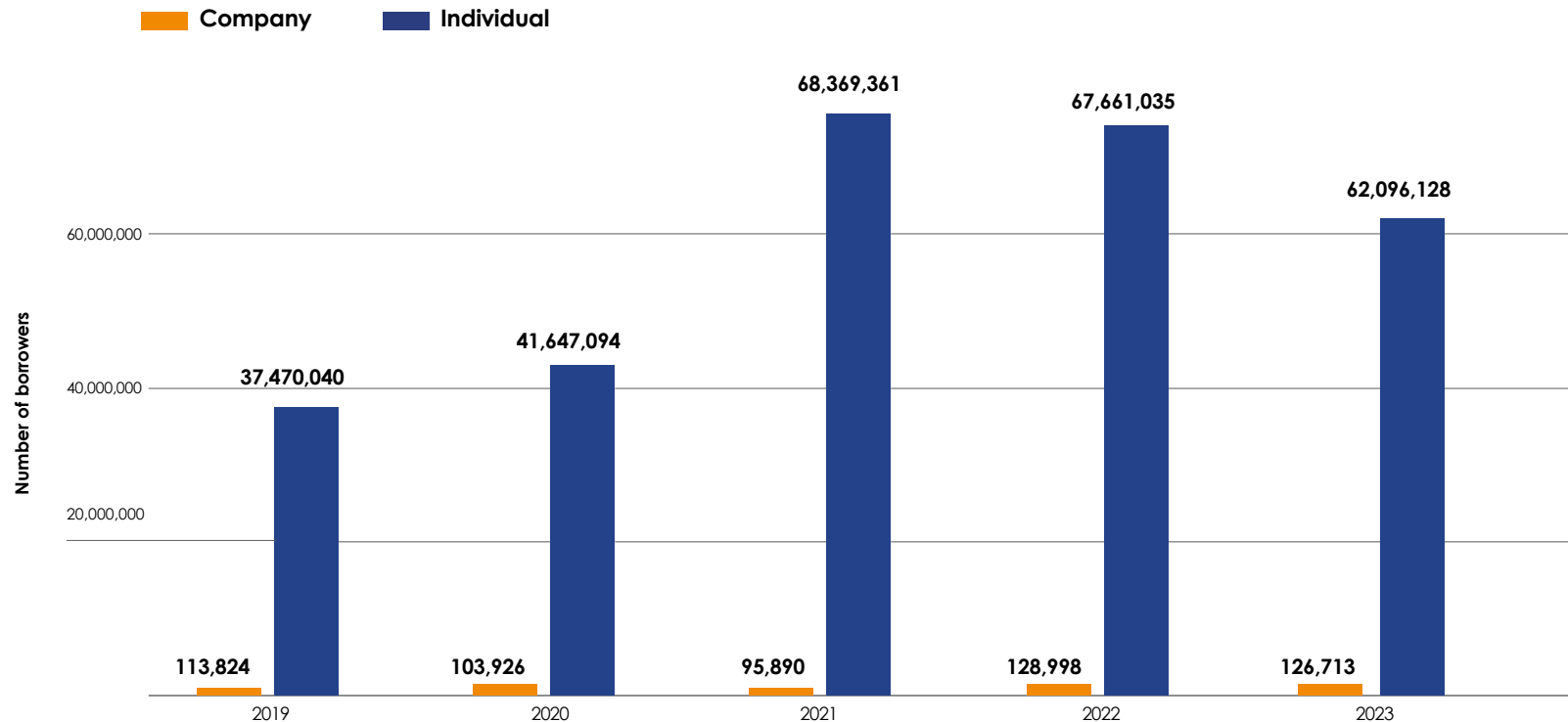
(b) Value of loans



- Overall decline in the value of loans disbursed
- Almost 50-50 distribution between companies and individuals
- Lending to companies generally contracted
- Lending to individuals generally improved

1. Borrower type

(c) Number of new loans

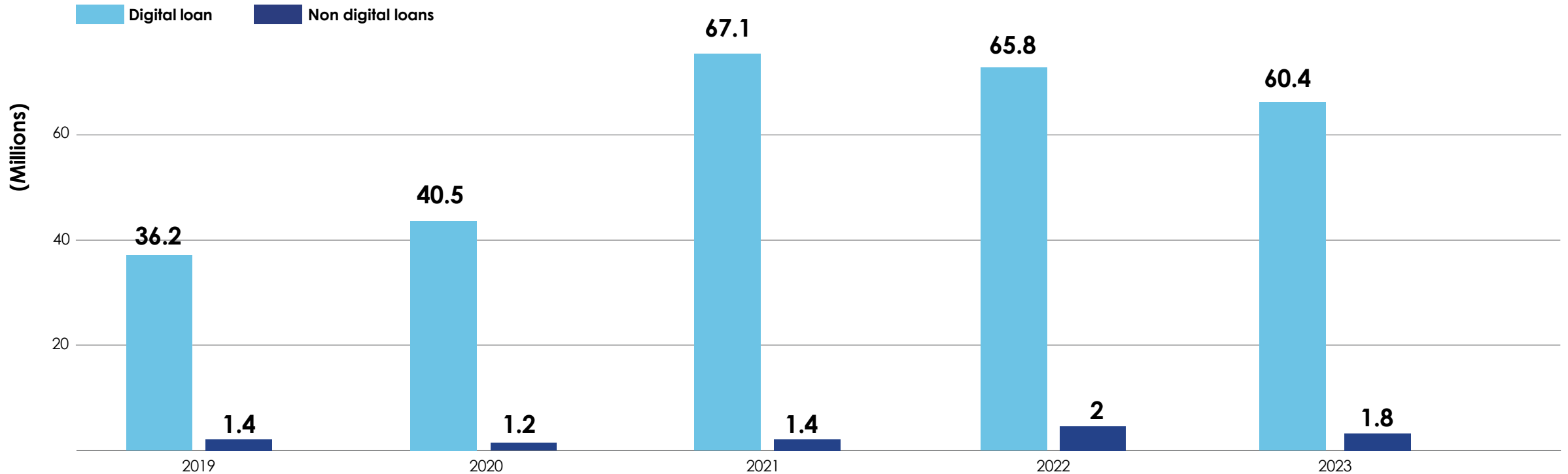


- Huge increase in number of new loans post Covid-19
- Post-COVID recovery by corporate borrowers less dramatic

2. Type of loan

(a) Number of new loans

Digital loans accounted for a significant **number** of new loans

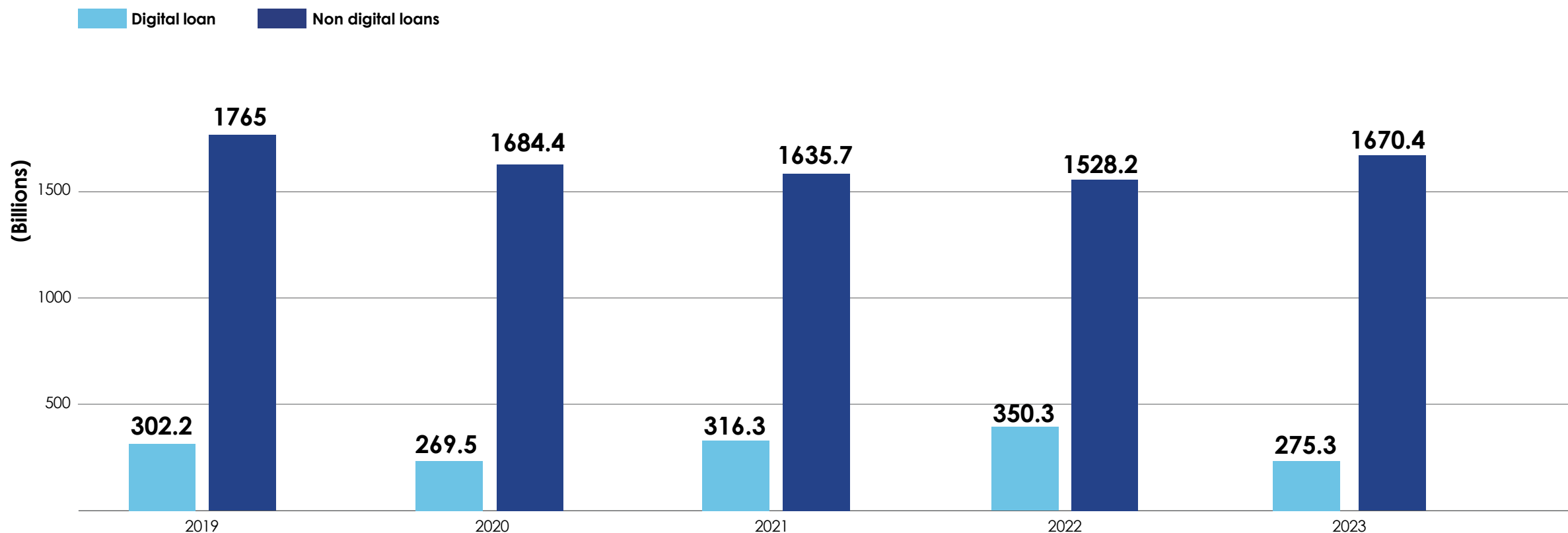




Type of loan

(b) By value

80:20 distribution between **value of new** digital vs value of new non digital loans.

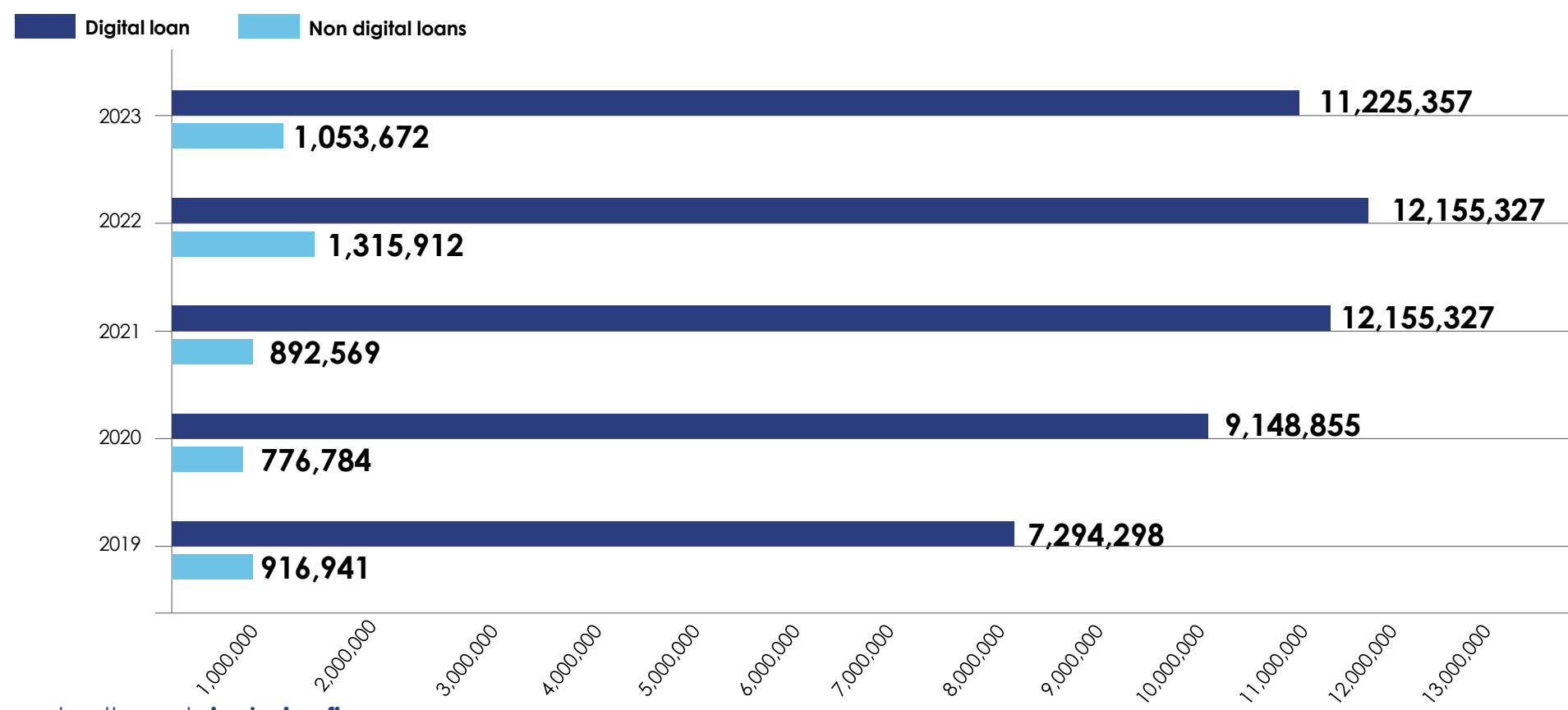




2. Type of loan

(c) Unique borrowers

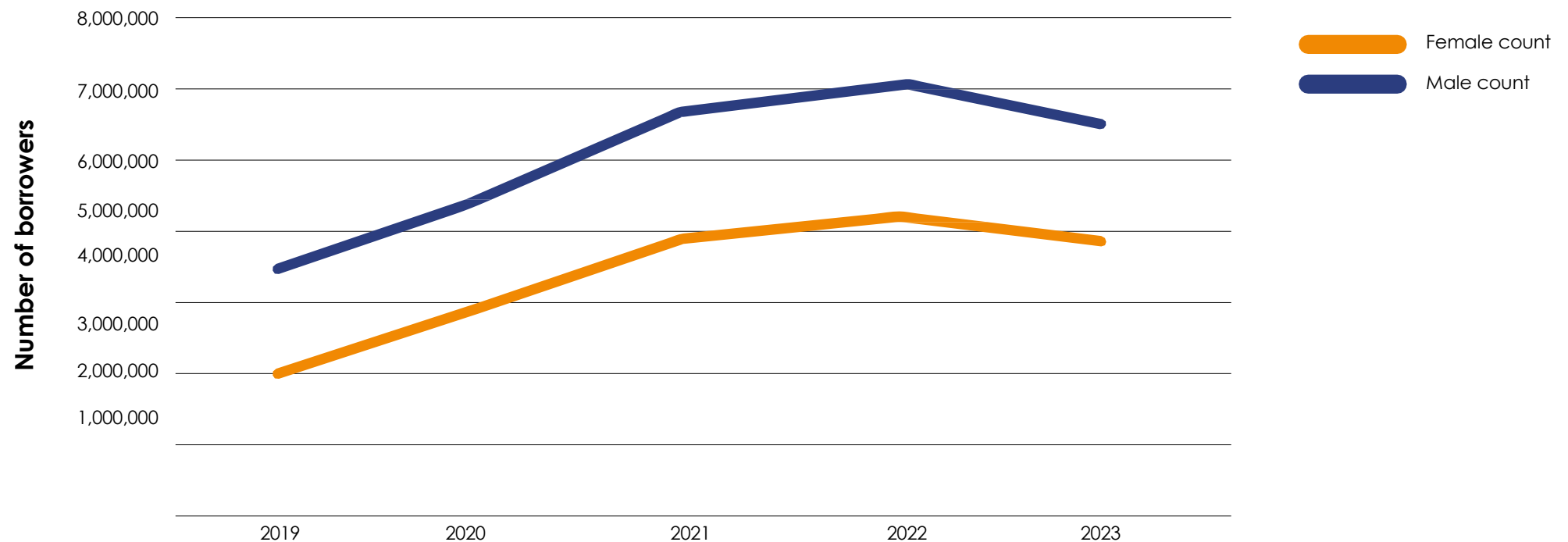
10:1 ratio of unique borrowers with at least one digital loan vs those with at least one non-digital loan



3. Sex of the borrower

(a) Number of unique borrowers

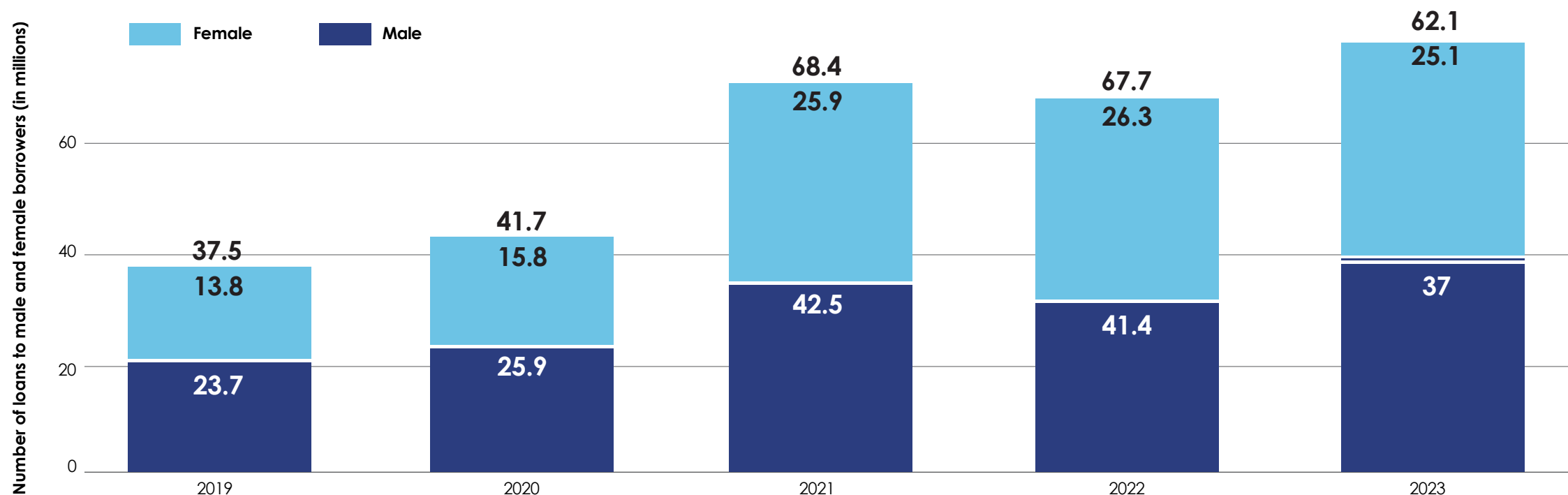
- Average of **6m** unique male borrowers and **4.3m** unique female borrowers per year
- Striking consistency in the gender gap over time



3. Sex of borrower

(b) Number of loans

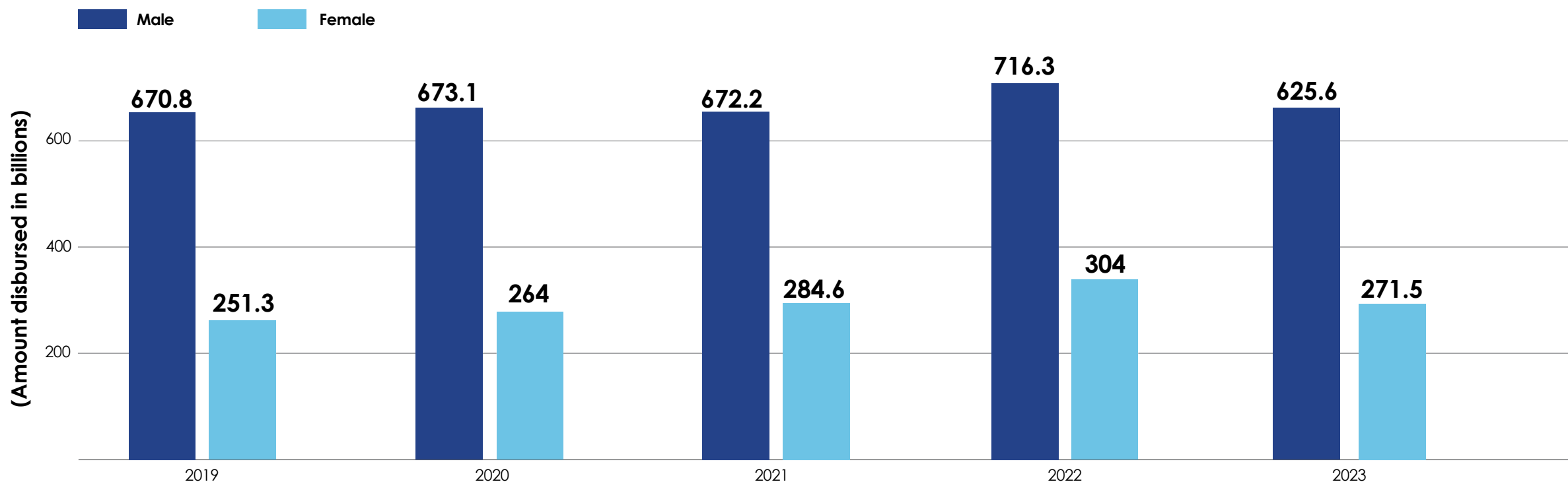
61.5% of **number of loans** issued to male borrowers compared to **38.5%** to female borrowers over the five-year period



3. Sex of borrower

(c) Value of loans

71.1% of value of loans issued to male borrowers compared to **28.9%** to female borrowers over the five-year period



4. Age of borrower

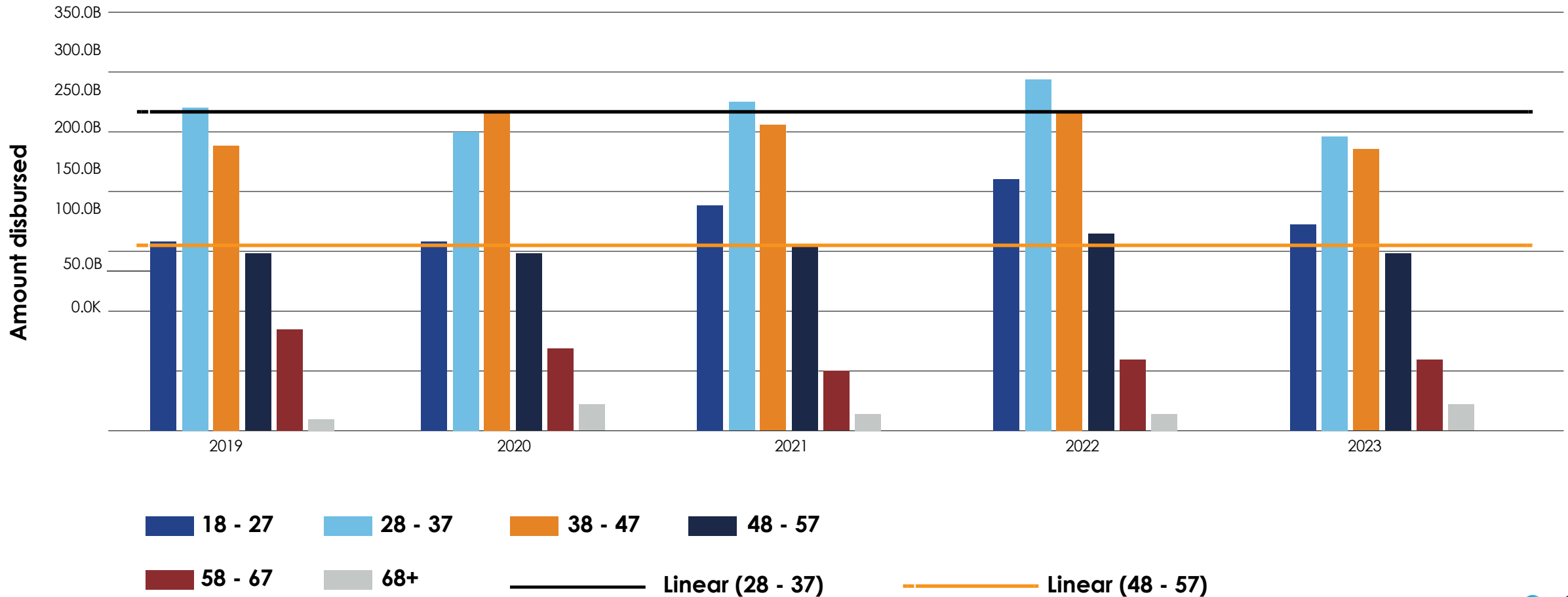
(a) Value of loans by age group

- Overall, the highest value of loans were accessed by:
 - **28-37**
 - **38-47**
 - **18-27** in that order
- The dominant age group for **males** was **18-27** followed by **28-37**
- The dominant age group for **females** was **28-37** followed by **18-27**

4. Age of borrower

(a) Value of loans by age group

Loan disbursements by age groups



5. Provider type

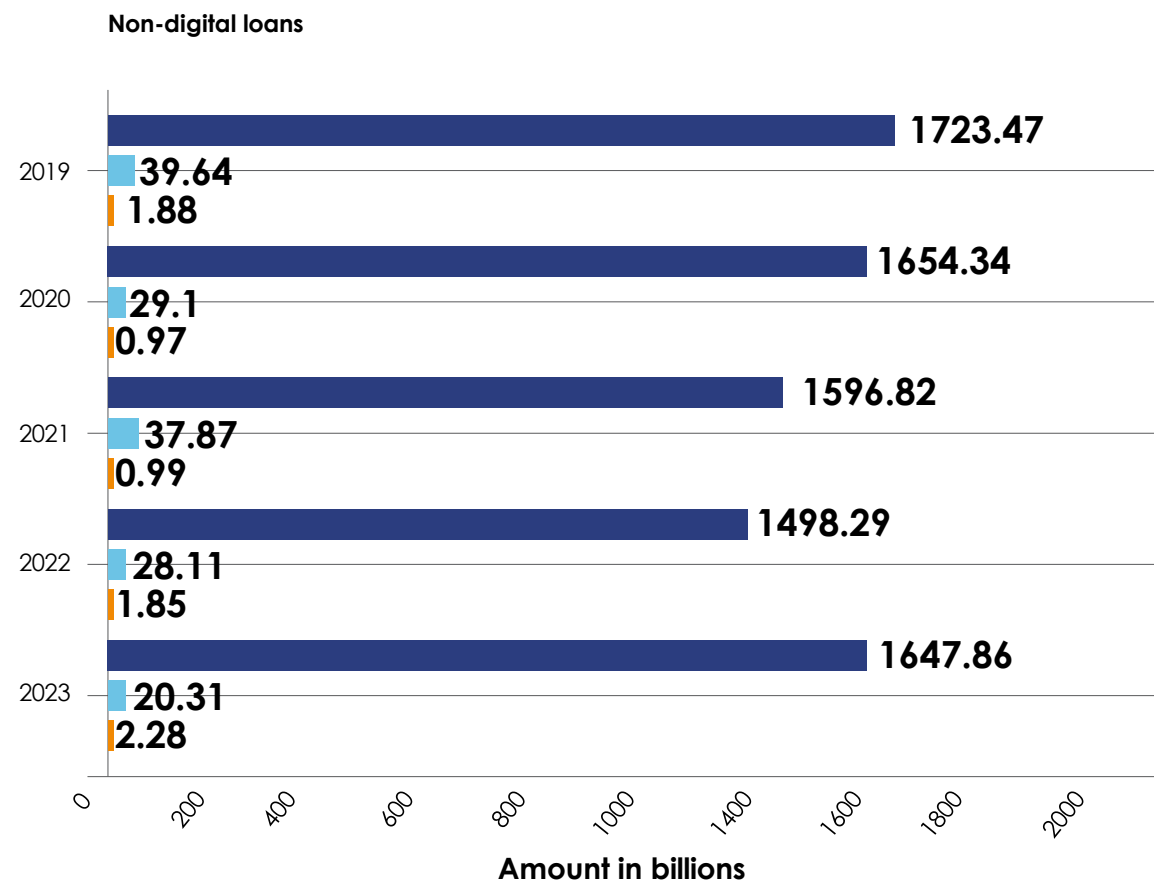
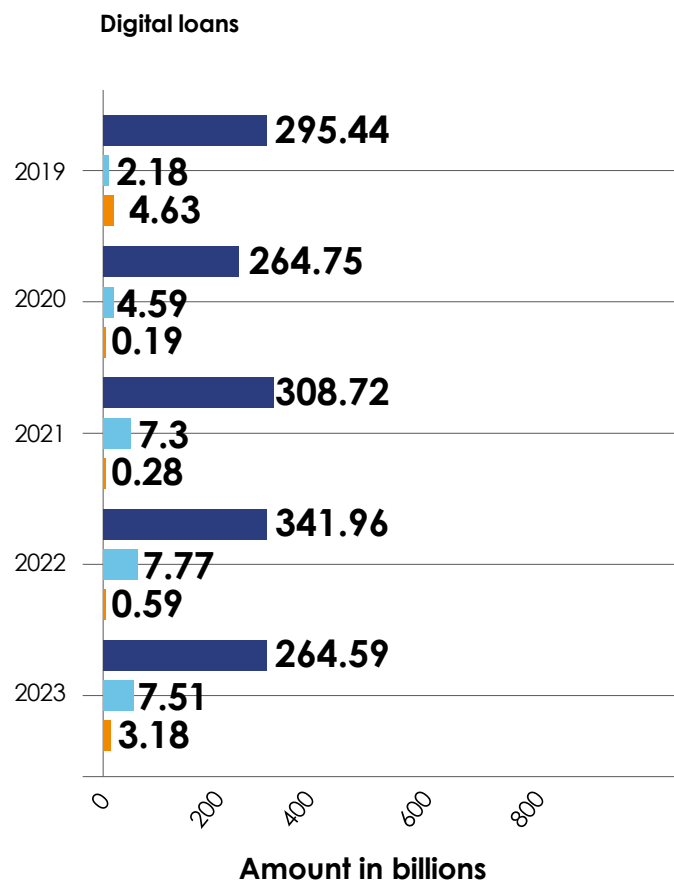
(a) Value of loans

- Banks accounted for a significant share of the **value** of digital loans disbursed
- **Number** of loans demonstrates a contrasting picture but not in distribution by provider type

5. Provider type

(a) Value of loans

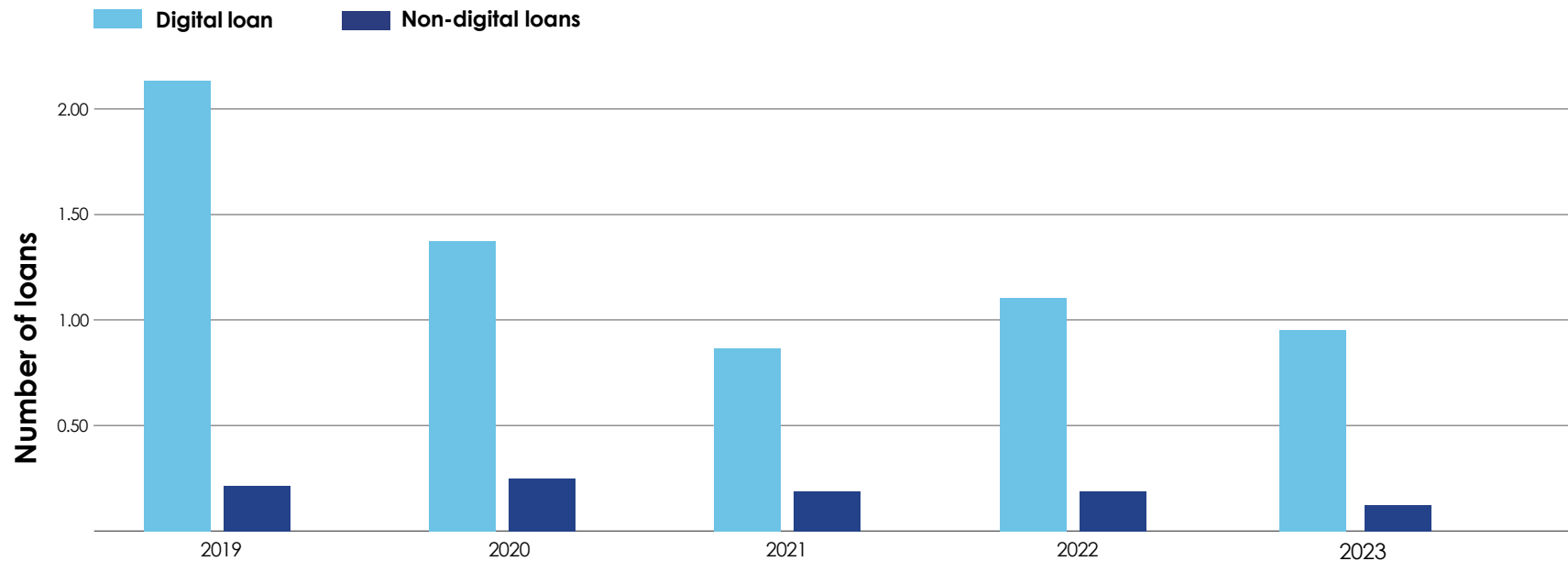
Banking MFI MFI



Summary findings on the analysis around listing

Listing status

(a) New negative listings by loan type

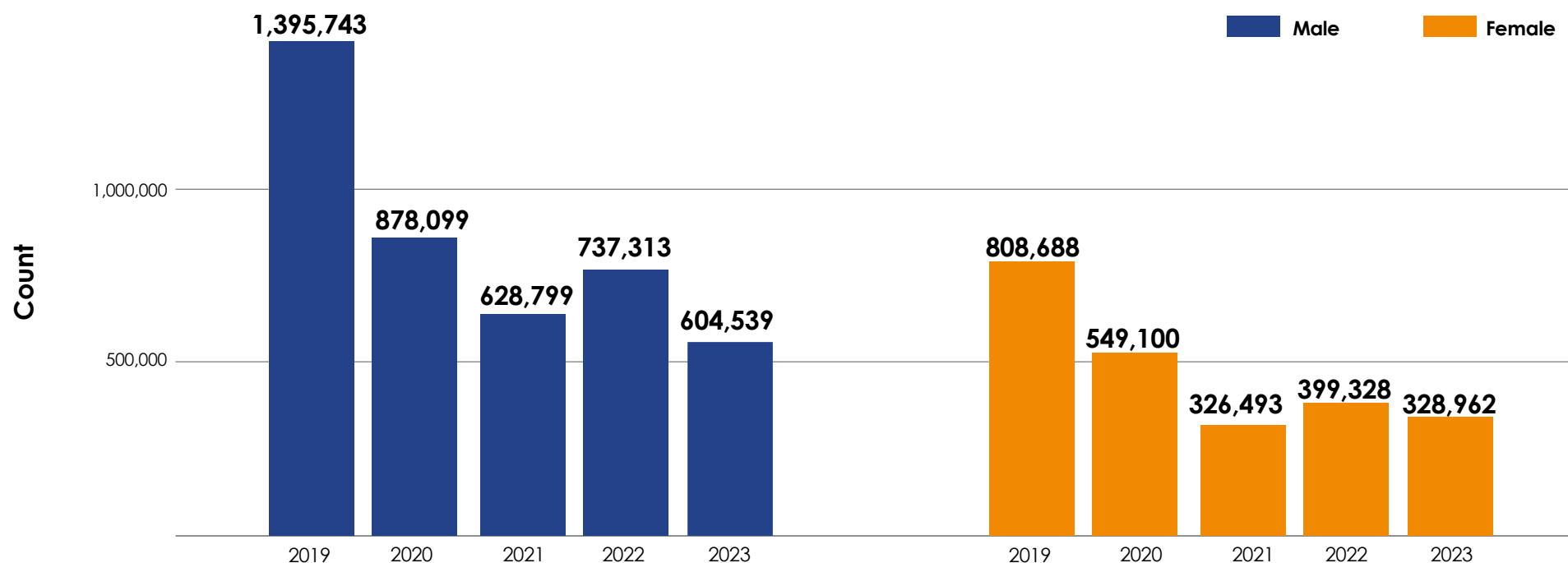


- Most new negative listings attributed to digital loans
- New negative listings for individual borrowers declined significantly between **2019** and **2020**
- A number of regulatory changes explains this trend

Listing status

(b) New negative listings by borrower's sex

- Female borrowers have better repayment record
- This is also generally true when new negative listings are taken as a proportion of new loans by gender



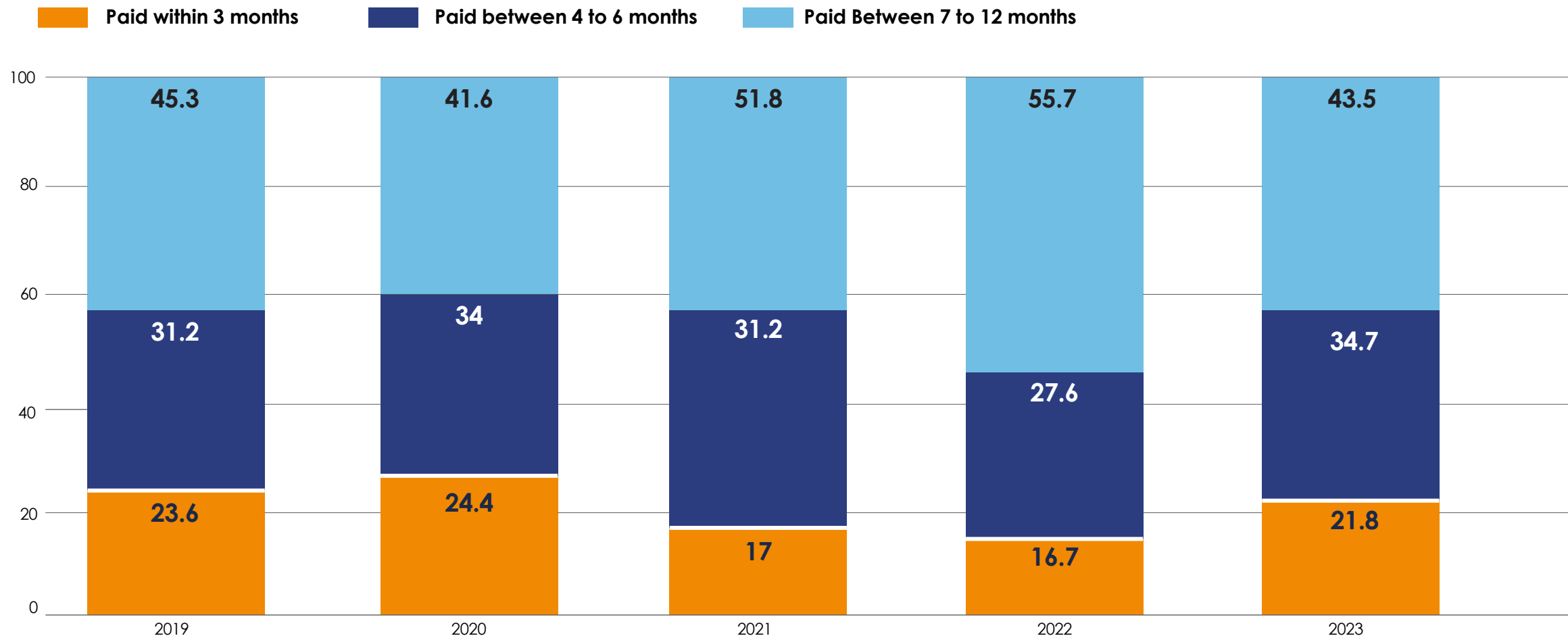


Listing status

(c) Repayment by negatively- listed borrowers

- A number of borrowers that had previous negative listings subsequently paid off their loans.
- The highest proportion of these repayments occurred after **7 months** and **within 1 year**

- Listing status
- (c) Repayment by negatively- listed borrowers



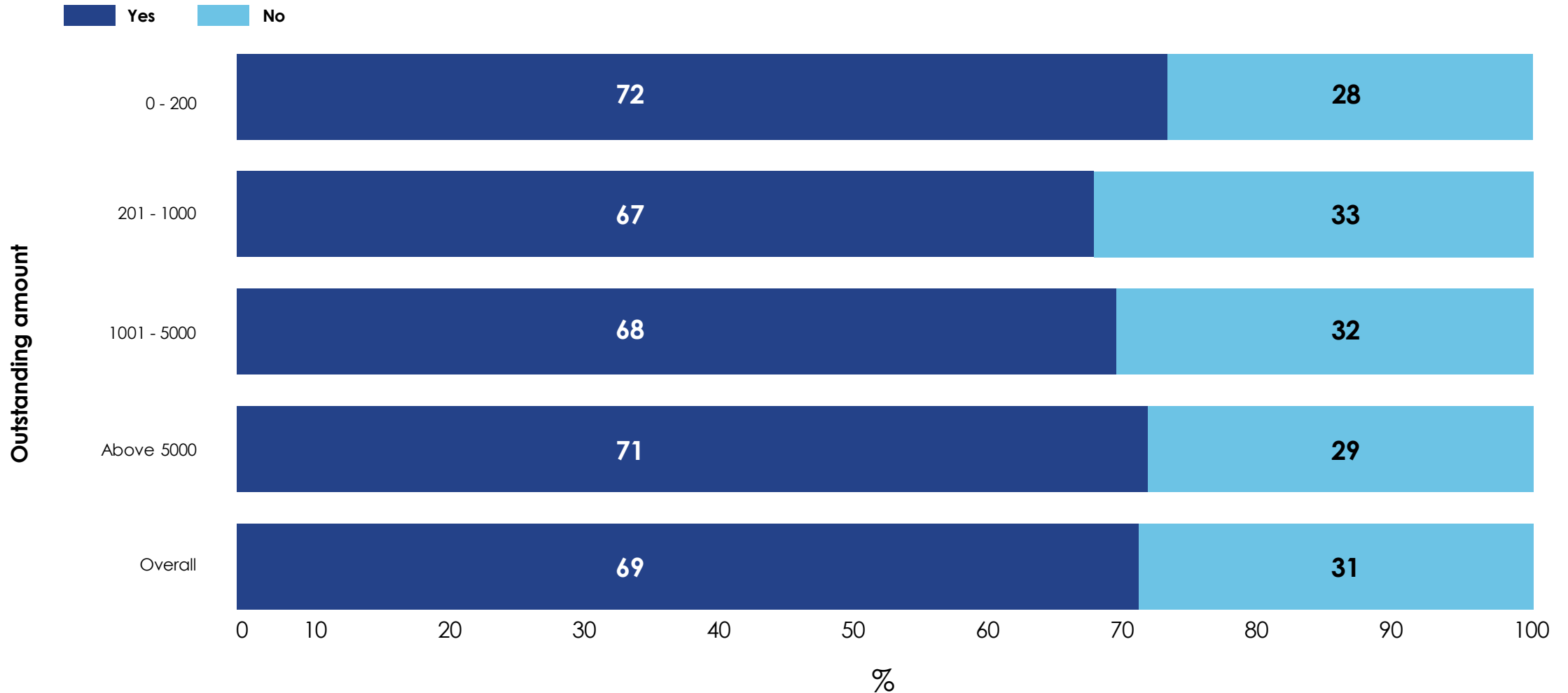


Listing status

(d) New loans to negatively listed borrowers

- **69%** of borrowers with a previous negative record were subsequently issued with new loans
- Out of **1.5m** credit checks, **1.05m** were granted credit
- Most recipients had outstanding loan balances below **KShs 200**

- # Listing status
- ## (d) New loans to negatively listed borrowers



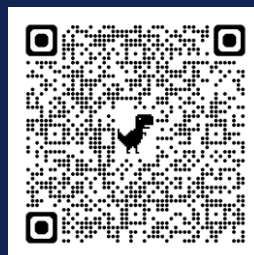


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