



# KEY FACTS DOCUMENT

## PURPOSE

The M-Shwari Key Facts Document seeks to inform the consumer of the fundamental benefits, risks and terms of the product or service.

M-Shwari

## 1. PURPOSE

The M-Shwari Key Facts Document seeks to inform the consumer of the eligibility, key benefits, risks and terms of the M-Shwari product, which is offered by Safaricom in partnership with CBA.

## 2. PRODUCT FACTS

<b>Product Name</b>	<b>M-Shwari</b>																				
<b>Product Definition</b>	It is a mobile savings and loan service offered to M-Pesa customers. Deposit Account gives you an opportunity to save as little as Kshs.1 .The customer also has an opportunity to access micro loans based on their assigned limit.																				
<b>Benefits of the Service</b>	<ul style="list-style-type: none"><li>• Ability to open and operate a bank account through your mobile phone, through M-PESA, without having to visit any bank to fill out bank account opening forms.</li><li>• Ability to move money in and out of your M-Shwari savings account to your M-PESA account.</li><li>• M-Shwari loans are short term instant loans that can be used to manage cash flow.</li><li>• M-Shwari savings account allows you to save for a specific goal at competitive interest rates.</li></ul>																				
<b>Product Terms</b>	<table border="1"><tr><td><b>Eligibility for opt in</b></td><td>Must be a registered M-PESA Customer</td></tr><tr><td><b>Eligibility for a limit &gt;0</b></td><td>Must be an active M-PESA customer for a minimum of 6 months</td></tr><tr><td><b>M-Shwari Loan Term</b></td><td>30 Days</td></tr><tr><td><b>Minimum M-Shwari Limit</b></td><td>KES 100/=</td></tr><tr><td><b>Maximum M-Shwari Limit</b></td><td>KES 50,000/=</td></tr><tr><td><b>Individual M-Shwari Limit</b></td><td>Determined by customer's M-PESA behavior.</td></tr><tr><td><b>Max number of time one can access M-Shwari</b></td><td>No Restrictions</td></tr><tr><td><b>Limit Review Cycle</b></td><td>Every 90 Days</td></tr><tr><td><b>Max M-Shwari Amount per transaction</b></td><td>M-PESA daily transaction limits apply when utilizing M-Shwari.</td></tr><tr><td><b>Loan Top up</b></td><td>Allowed once within first 20 days of the outstanding loan subject to the customers available limit.</td></tr></table>	<b>Eligibility for opt in</b>	Must be a registered M-PESA Customer	<b>Eligibility for a limit &gt;0</b>	Must be an active M-PESA customer for a minimum of 6 months	<b>M-Shwari Loan Term</b>	30 Days	<b>Minimum M-Shwari Limit</b>	KES 100/=	<b>Maximum M-Shwari Limit</b>	KES 50,000/=	<b>Individual M-Shwari Limit</b>	Determined by customer's M-PESA behavior.	<b>Max number of time one can access M-Shwari</b>	No Restrictions	<b>Limit Review Cycle</b>	Every 90 Days	<b>Max M-Shwari Amount per transaction</b>	M-PESA daily transaction limits apply when utilizing M-Shwari.	<b>Loan Top up</b>	Allowed once within first 20 days of the outstanding loan subject to the customers available limit.
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<b>Channels</b>	The product will be available through existing M-PESA platforms i.e. STK, Android and IOS platforms.																				



<b>Opt in process</b>	Access through the M-PESA menu > Select Loans and Savings > Select M-Shwari and Activate.																	
<b>M-Shwari Menu Access</b>	Access the M-PESA menu <ul style="list-style-type: none"> <li>• Select Loans and Savings</li> <li>• Select M-Shwari</li> <li>• Send to M-Shwari</li> <li>• Withdraw from M-Shwari</li> <li>• Lock Savings Account</li> <li>• Loan</li> <li>• Check balance</li> <li>• Mini Statement</li> </ul>																	
<b>Services Available</b>	<p>The M-Shwari service include:</p> <p><b>Savings;</b> The M-Shwari Deposit Account gives you an opportunity to save as little as Kshs.1 and earn interest on your savings balance as below.</p> <table border="1" data-bbox="337 722 1414 949"> <thead> <tr> <th>Customer Savings Amount</th> <th>M-SHWARI INTEREST RATE</th> </tr> </thead> <tbody> <tr> <td>KSHS 1-20000</td> <td>3% P.A</td> </tr> <tr> <td>KSHS 20001-50,000</td> <td>4% P.A</td> </tr> <tr> <td>&gt;KSHS 50,001</td> <td>5% P.A</td> </tr> </tbody> </table> <p><b>Lock Savings Account;</b> This is a savings account that allows M-Shwari customers to save for a defined purpose and for a specified amount of time. The funds saved on the M-Shwari Lock Savings account will be kept in the account until the maturity date which is determined by the customer upon opening the account and ranges between one and twelve months. However the customer can request to withdraw funds from their Lock savings account. The request will be processed in 48 hours</p> <p>Interest on Lock Savings account will be earned as below;</p> <table border="1" data-bbox="337 1243 1414 1467"> <thead> <tr> <th>Customer Savings Amount</th> <th>Lock Savings INTEREST RATE</th> </tr> </thead> <tbody> <tr> <td>KSHS 1-20000</td> <td>3% P.A</td> </tr> <tr> <td>KSHS 20001-50,000</td> <td>5% P.A</td> </tr> <tr> <td>&gt;KSHS 50,001</td> <td>6% P.A</td> </tr> </tbody> </table> <p><b>Loans:</b> All M-Shwari Active Subscribers who have been M-PESA subscribers for at least 6 Months, passed KYC verification, have not been blacklisted and have been assigned a credit limit are eligible to take out loans based on their assigned limit.</p>		Customer Savings Amount	M-SHWARI INTEREST RATE	KSHS 1-20000	3% P.A	KSHS 20001-50,000	4% P.A	>KSHS 50,001	5% P.A	Customer Savings Amount	Lock Savings INTEREST RATE	KSHS 1-20000	3% P.A	KSHS 20001-50,000	5% P.A	>KSHS 50,001	6% P.A
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<b>Charges</b>	<b>Total Cost of Credit</b>	<p><b>Facility Fee:</b> 7.5% on each loan disbursed, exclusive of 1.5% excise duty. Where a user tops up on the loan, the facility fees is charged on the total loan amount, that is, the top-up amount added to the initial principal.</p> <p><b>Roll over Fee:</b> 7.5% exclusive of 1.5% excise duty for all loan principal balances that are unpaid on day 31. Where a customer tops up on the loan, the facility fees is charged on the total loan amount, that is, the top-up amount added to the initial principal.</p>																



<b>Repayment Terms</b>	<b>Allowed Payments</b>	Full and partial settlement shall be accepted
	<b>Repayment Period</b>	Full repayment is expected within 30 days. However a customer can extend the repayment period by incurring an extra cost of 7.5% for all loan principal balances unpaid on day 31
	<b>Settlement</b>	<p>Locking of Savings when subscriber has a loan that is outstanding greater than 30 days. When a customer tries to access the locked amount he/she will receive a message telling him insufficient funds. However, if savings amount exceeds loan amount subscriber can withdraw the excess amount</p> <p>Bank initiated debit on the subscriber's' M-Shwari savings account on day 61 if the loan is still outstanding.</p>
<b>Risks</b>	<ul style="list-style-type: none"> <li>• M-Shwari limit will gradually be reduced and eventually cancelled if the amount is not settled as expected.</li> <li>• Failure to settle the M-Shwari loan utilized in 120 days will lead to negative CRB listing.</li> <li>• Failure to settle the M-Shwari loan utilized in good time can affect your chances of accessing other credit services within Kenya.</li> </ul>	
<b>Obligations</b>	<ul style="list-style-type: none"> <li>• If you are not allocated an Overdraw Limit, you must continue to transact on M-PESA and M-Shwari in order to build a transaction history and enhance your credit score in order to be eligible for a Limit.</li> <li>• You shall repay the Loan within thirty (30) calendar days of the date of disbursement of the Loan. Any Facility granted must be repaid in full.</li> <li>• You are responsible for the payment of all applicable Fees for the use of the Service.</li> <li>• You shall at all times follow the security procedures notified to you by the Bank from time to time or such other procedures as may be applicable to the Services from time to time.</li> <li>• You shall be solely responsible for the safekeeping and proper use of your Equipment and for keeping your PIN secret and secure. You shall ensure that your PIN does not become known or come into possession of any unauthorized person.</li> </ul>	
<b>CRB Listing</b>	<p>Every M-Shwari customer will be listed with CRB as follows:</p> <ul style="list-style-type: none"> <li>• Positive Listing- This will apply to all active M-Shwari customers with no outstanding amount overdue.</li> <li>• Negative Listing- This will apply to all active M-Shwari customers with an outstanding amount overdue.</li> </ul>	
<b>Pre Listing Notice</b>	<ul style="list-style-type: none"> <li>• The pre-listing notice period is 30 days.</li> </ul>	

<p><b>Customer Rights</b></p>	<ul style="list-style-type: none"> <li>• A customer has a right to know what information the institution has submitted to the Bureau regarding that customer, access credit reports relating to the customer that are kept in a database administered by a Bureau.</li> <li>• A customer shall be entitled to a free copy of their credit report from a Bureau, or its agents, in the following instances; <ul style="list-style-type: none"> <li>(a) at least once per year;</li> <li>(b) within thirty days of receiving an adverse action notice issued under regulation 50.</li> </ul> </li> <li>• The customer has a right to dispute information shared with the CRB if they feel it is inaccurate, erroneous or outdated by notifying the Bureau in writing of the information disputed. Where a customer requests a Bureau for a credit report, the Bureau shall, within five working days of receiving a request in writing provide to the customer a copy of all customer information relating to the customer held by the Bureau.</li> <li>• A customer shall be entitled to a free copy of their credit report from a Bureau once every six months after making a request to a Bureau to have inaccurate information corrected in the database.</li> <li>• Where the customer disagrees with the resolution of the disputed information, the customer may request the Bureau to attach a statement of not more than one hundred words to the customer's credit report, setting out the customer's claim that the information is not accurate and the Bureau shall take reasonable steps to comply with the customer's request.</li> <li>• A Bureau may charge the customer for the cost of its services in conducting an investigation of disputed customer information where the information disputed by the customer turns out to be false.</li> </ul>
<p><b>Help</b></p>	<p>Visit any Safaricom Retail outlet or Contact the Safaricom Call Centre on 100 or 200 for any queries or complaints.</p>
<p><b>Opt out</b></p>	<p>Opt Out by visiting a Safaricom shop and filling an account closure form. The customer has to settle any outstanding loans and withdraw any amounts greater than Kes 1 from their savings account.</p>