

# KEY FACTS DOCUMENT

STAWI

## PURPOSE

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

## 1. PURPOSE

The Stawi Key Facts Document seeks to inform the consumer of the eligibility, key benefits, risks and terms of the Stawi product, which is offered by NCBA in partnership with DTB, CO-OPERATIVE and KCB bank.

## 2. PRODUCT FACTS

Product Name	Stawi	
Product Definition	<p>Stawi is a digital credit product designed for the Micro Small and Medium Enterprises operating in Kenya. This solution delivered via a mobile phone application aims to tap into this underserved segment from a formal banking point of view. The offering will enable individual business operators acquire a pre-scored credit limit that they will utilize in acquiring credit to meet their various business obligations.</p> <p>Consumers can borrow from KES 30,000 to 250,000 payable within 1 to 12 months.</p> <p>Key product definitions are as below:</p>	
	Target Market Core (Distinguishing Feature)	<p>Micro Small and Medium Entrepreneurs (MSMEs)</p> <ul style="list-style-type: none"> <li>• Limit assignment criteria shall be determined by a credit scoring model and income proxy. The model will provide a risk class that a customer shall be assigned based on data from Safaricom from their individual M-pesa, M-Shwari transactions and CRB. This risk class will determine tenor and pricing and also be used in the limit assignment matrix to determine a customer's limit.</li> <li>• The product will be offered to customers who have opted into the Stawi platform.</li> <li>• Term of the loan will be capped to 12 months.</li> <li>• Loan disbursed amount will be equal to the requested amount.</li> <li>• The loan amount will be credited to the customer current account (wallet) less the loan facility fees and Credit life insurance premiums.</li> <li>• The loan facility will only be offered in the Local Currency (Kenya Shillings)</li> <li>• Interest rate will be fixed however it can be revised from time to time based on prevailing market conditions.</li> <li>• Any change in tenor or top up request will be deemed as a new contract. All conditions of a new contract will apply as above.</li> </ul> <p>Top-up functionality should be available if a customer has made greater than or equal to 80% of the loan borrowed or record of accomplishment of 3 months' repayment.</p> <ul style="list-style-type: none"> <li>• Early repayments will not attract any charge and will by default reduce the term of the contract</li> </ul>
	Benefits of the Service	<ul style="list-style-type: none"> <li>• Ability to open and operate a bank account through your mobile phone, without having to visit any bank to fill out bank account opening forms.</li> <li>• The product addresses a lending gap realized because of banks reluctance to lend to MSMEs due to their lack of records and assets to support their borrowing.</li> </ul>

		<ul style="list-style-type: none"> <li>Ability to move money easily in and out of your Stawi current account through Mpesa.</li> <li>Ability to make instant payments through M-Pesa.</li> <li>Stawi loans are medium to long-term instant loans that can be used to improve business cash flows.</li> <li>Loans offered at competitive interest rates.</li> </ul>
	Customer Value	<ul style="list-style-type: none"> <li>Timely and instant financing.</li> <li>Reliability to meet financial obligations.</li> <li>Continuous engagement and appropriate customer education to the customers on financial management</li> </ul>
	Funding Source	Pooled funding account, with equal contributions from the scheme partners namely; <ul style="list-style-type: none"> <li>NCBA Bank</li> <li>Co-operative Bank of Kenya</li> <li>Diamond Trust Bank</li> <li>Kenya Commercial Bank</li> </ul> NCBA shall operate a credit exchange platform that services this credit scheme.
	Draw-down Account	Stawi Current Account
	Repayment Account	Stawi Current Account
	Finance Instrument	Unsecured Loan Contract
<b>Product Terms</b>	<b>Eligibility for opt in</b>	Must be a Kenyan Citizen, above 18 years of age, with a valid ID or Passport and KRA PIN.
	<b>Eligibility for a limit &gt;0</b>	Limit assignment criteria shall be determined by a credit scoring model and income proxy. The model will provide a risk class that a customer shall be assigned based on data from Safaricom from their individual M-pesa, M-Shwari transactions and CRB.
	<b>Stawi Facility Term</b>	Minimum tenor of 1 Month Maximum tenor of 12 Months
	<b>Minimum Stawi Limit</b>	KES 30,000/=
	<b>Maximum Stawi Limit</b>	KES 250,000/=
	<b>Individual Stawi Limit</b>	Determined by customer's M-PESA and M-Shwari behavior, Stawi transactions and CRB records.
	<b>Max number of time one can access Stawi</b>	No Restrictions
	<b>Limit Review Cycle</b>	Every 3 months
	<b>Max Stawi Amount per transaction</b>	This will depend on the limits given by the platform customer uses to send money. Mpesa limit: Maximum KES 70,000.

<b>Channels</b>	The product will be available through Android platforms.																												
<b>Opt in process</b>	<ol style="list-style-type: none"> <li>1. Download the Stawi Application from the Google play store on your smart phone device and create account following the prompts from the App on required information.</li> <li>2. Visit a Stawi Agent for KYC verification and access a Stawi Loan</li> </ol>																												
<b>Stawi Menu Access</b>	<p>Access the Stawi menu</p> <ul style="list-style-type: none"> <li>• Log in to Stawi app using the mobile phone number and set PIN</li> <li>• The app opens the home page displaying Stawi account balance, send money option and statements option. The home page also displays recent transactions.</li> <li>• Customer can swipe right/click on the "My loan" tab page. The page displays the customer eligible loan limit and loan details with an active "apply" button if customer has undergone Stawi Agent verification, else button remains inactive.</li> <li>• Customer can swipe further right / click on the "Manage". Customer will be presented with options to Edit user profile and/or add beneficiaries.</li> </ul>																												
<b>Services Available</b>	<p>The Stawi service include:</p> <p><b>Current account;</b> The Stawi current Account features are as below:</p> <table border="1"> <thead> <tr> <th>Feature</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td><b>Operating balance</b></td> <td>Nil</td> </tr> <tr> <td><b>Monthly ledger Fees</b></td> <td>Nil</td> </tr> <tr> <td><b>Enabled for access</b></td> <td>Primary access channel is via Mobile Application</td> </tr> <tr> <td><b>Payments</b></td> <td>The account allows for inward and outward payments processing</td> </tr> <tr> <td><b>Cheque Book</b></td> <td>Not offered for the account</td> </tr> <tr> <td><b>Debit Card</b></td> <td>Not issued against the account</td> </tr> <tr> <td><b>Credit interest</b></td> <td>Nil</td> </tr> <tr> <td><b>Debit interest</b></td> <td>Nil</td> </tr> <tr> <td><b>Currency</b></td> <td>Kenya Shilling</td> </tr> <tr> <td><b>Linkage to business Till &amp; Pay bill</b></td> <td>Nil</td> </tr> <tr> <td><b>Overdraft</b></td> <td>Nil</td> </tr> <tr> <td><b>Account Statements</b></td> <td>Accessible via mobile app and email</td> </tr> <tr> <td><b>Funds transfer charges</b></td> <td> <ul style="list-style-type: none"> <li>• Inward transfer are charged subject to Mobile Money Operator (Mpesa)</li> <li>• Outward funds transfers from the Stawi current account to Mobile Money are charged a flat fee of KSH. 42</li> </ul> </td> </tr> </tbody> </table> <p><b>Loans:</b> Active Subscribers who have 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>	Feature	Description	<b>Operating balance</b>	Nil	<b>Monthly ledger Fees</b>	Nil	<b>Enabled for access</b>	Primary access channel is via Mobile Application	<b>Payments</b>	The account allows for inward and outward payments processing	<b>Cheque Book</b>	Not offered for the account	<b>Debit Card</b>	Not issued against the account	<b>Credit interest</b>	Nil	<b>Debit interest</b>	Nil	<b>Currency</b>	Kenya Shilling	<b>Linkage to business Till &amp; Pay bill</b>	Nil	<b>Overdraft</b>	Nil	<b>Account Statements</b>	Accessible via mobile app and email	<b>Funds transfer charges</b>	<ul style="list-style-type: none"> <li>• Inward transfer are charged subject to Mobile Money Operator (Mpesa)</li> <li>• Outward funds transfers from the Stawi current account to Mobile Money are charged a flat fee of KSH. 42</li> </ul>
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<b>Charges</b>	<b>Total Cost of Credit</b>	Interest rate: 9% Per annum on each loan disbursed. Late Payment Fee: 10% p.a. is applied on overdue loan principal balances that remain unpaid Facility fee: 4% on disbursement Insurance Premium: 0.7% of Principal amount
<b>Repayment Terms</b>	<b>Allowed Payments</b>	Full and partial settlement shall be accepted
	<b>Repayment Period</b>	Full repayment is expected by the end of the tenor. Minimum: 1 month Maximum: 12 months
	<b>Settlement</b>	Locking of funds in current account when subscriber has a loan that is outstanding after tenor has expired. When a customer tries to access the locked amount he/she will receive a message telling him insufficient funds. However, if wallet amount exceeds loan amount subscriber can withdraw the excess amount.  Bank initiated debit on the subscribers' Stawi current account will be done every end of day after loan tenor has expired.
<b>Product Risks</b>	<ul style="list-style-type: none"> <li>Stawi limit will gradually be reduced and eventually cancelled if the amount is not settled as expected.</li> <li>Failure to pay a Stawi Loan instalment in 120 days will lead to negative CRB listing.</li> <li>Failure to settle the Stawi Loan will affect your chances of accessing other credit services within Kenya.</li> <li>You should ensure that no one knows your Stawi account login details. Once any other person knows your password, they might be able to make Unauthorized Transactions on your Stawi Account.</li> </ul>	
<b>Obligations</b>	<ul style="list-style-type: none"> <li>If you are not allocated a Limit, you must continue to transact on Stawi, 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 the specified (not more than 12 months) 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 Stawi customer will be listed with CRB as follows:</p> <ul style="list-style-type: none"> <li>Positive Listing- This will apply to all active Stawi customers with no outstanding amount overdue.</li> <li>Negative Listing- This will apply to all active Stawi 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>	

<b>Customer Rights</b>	<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>
<b>Help</b>	Contact the Stawi Call Centre on 0709714999/0730714999 for any queries or complaints. Or write to <a href="mailto:help@stawi.ke">help@stawi.ke</a>
<b>Opt out</b>	Opt Out by writing an account closure letter and scan the letter to our Contact Centre email address <a href="mailto:help@stawi.ke">help@stawi.ke</a> The customer has to settle any outstanding loans and withdraw any amounts greater than KES: 1 from their savings account.