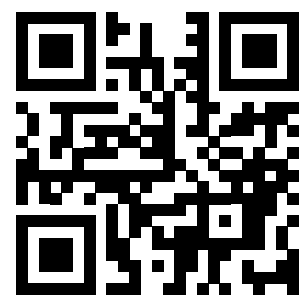
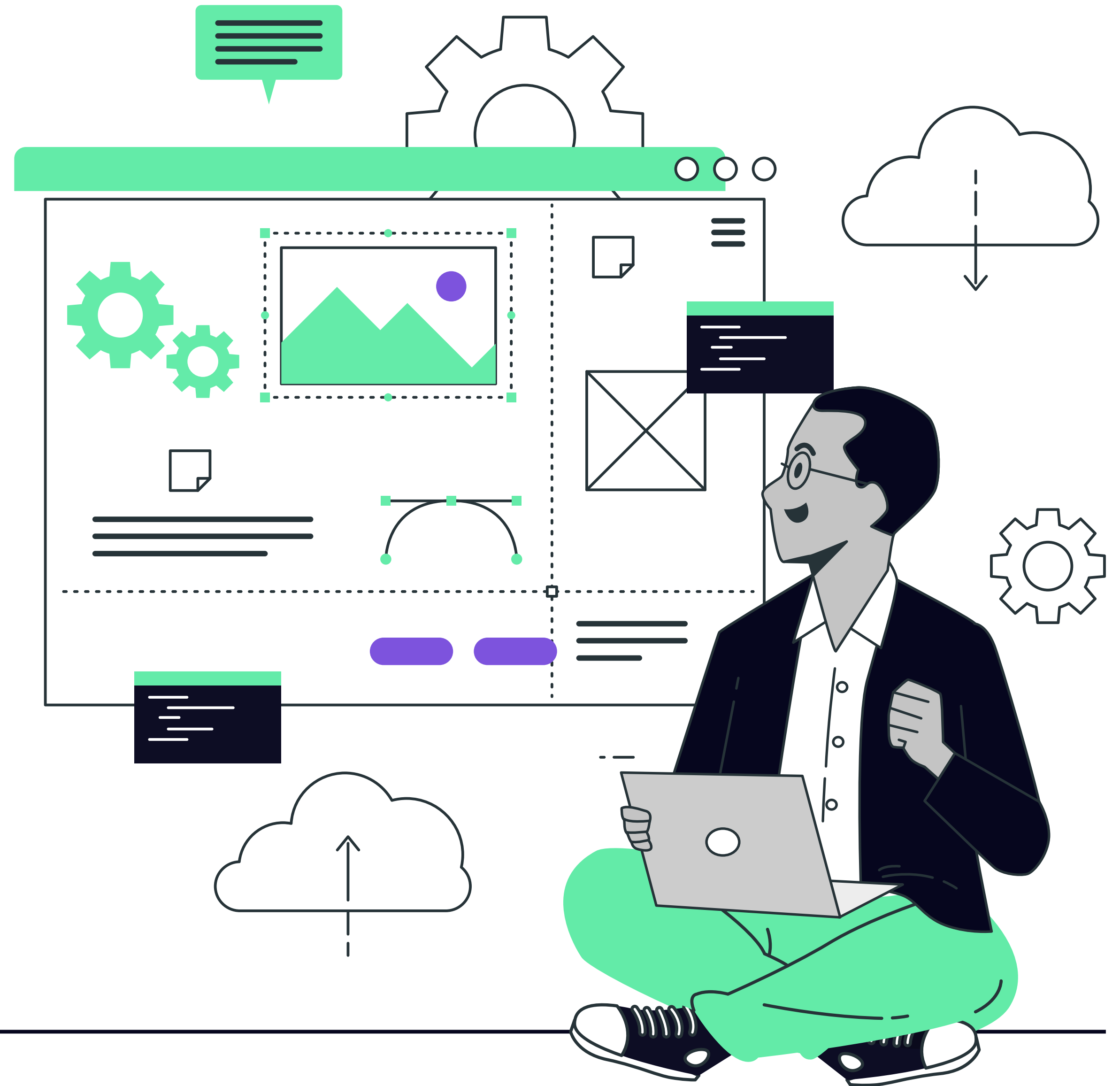


fin
KENYA



www.fin.africa

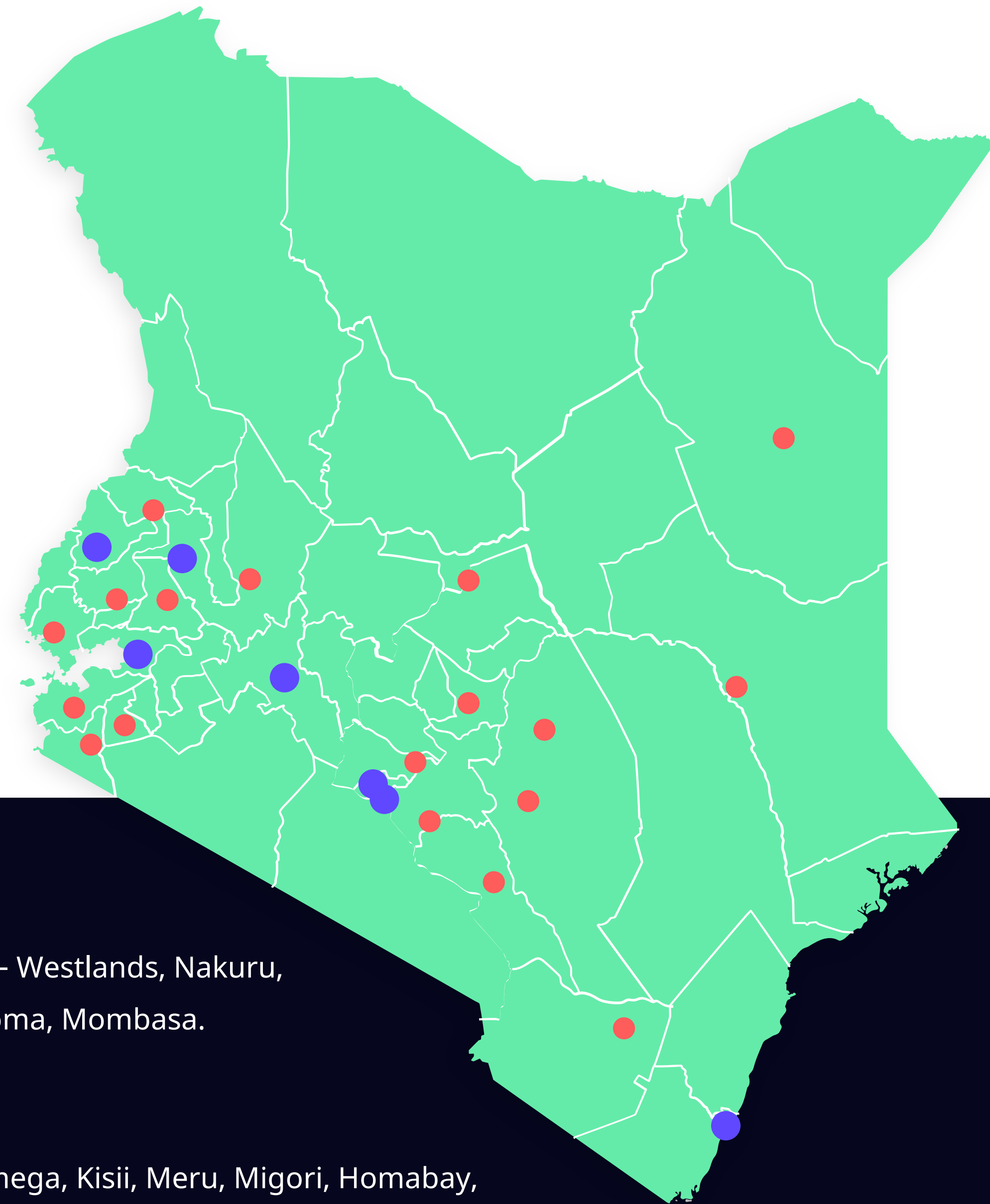
Company profile



WHO WE ARE

Together with our partners, we provide credit, savings, insurance and more: **fast convenient and reliable.**

- Fin Kenya runs a digitally-enabled lending model focused on servicing MSMEs distribution through digital channels, partners and branches.
- Fin Kenya focuses on vehicle logbook and asset finance loans, but has a payroll lending portfolio



Partners:

160

Employees:

67

Agents:

>200

Customers:

6,843

APR:

55%

Loan Book:

US\$ 7.6M

Branches ●

Nairobi – CBD, Nairobi – Westlands, Nakuru, Eldoret, Kisumu, Bungoma, Mombasa.

Satellites ●

Kapsabet, Kitale, Kakamega, Kisii, Meru, Migori, Homabay, Kabarnet, Wajir, Isiolo, Embu, Mwingi, Thika, Kitui, Garissa, Machakos, Kitui, Voi, Narok.



Simply smarter, finance.

Our core product portfolio grew by over 120%.



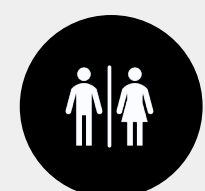
*Secured on the back of a customers vehicle logbook

	VLB	Asset Finance
Unit economics		
(+) Yield	61.00%	56.60%
(-) Credit losses	-0.39%	-0.39%
(-) Cost of funding	-23.60%	-23.60%
(-) Direct costs	-5.40%	-5.10%
Unit net profit	31.61%	27.51%
Avg. tenure	18.66 months	45.99 months
Avg. loan size	KES 1,512,835	KES 1,418,593

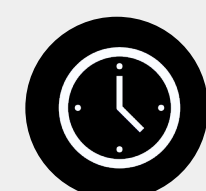
Asset finance loans Fin Kenya provides MSMEs and employed individuals with affordable vehicle financing, allowing businesses to gain much-needed mobility, allowing them to take their operations to the next level and thereafter, working capital or project financing.

Vehicle logbook loans Once a client has paid off their vehicle, we maintain the collateral allowing for a quick turn-around on subsequent loans to fund working capital, contract finance or general business support.

Our Target Market Our ideal customer is an MSME who makes use of vehicles in their day-to-day operations.



Male/female: 50/50

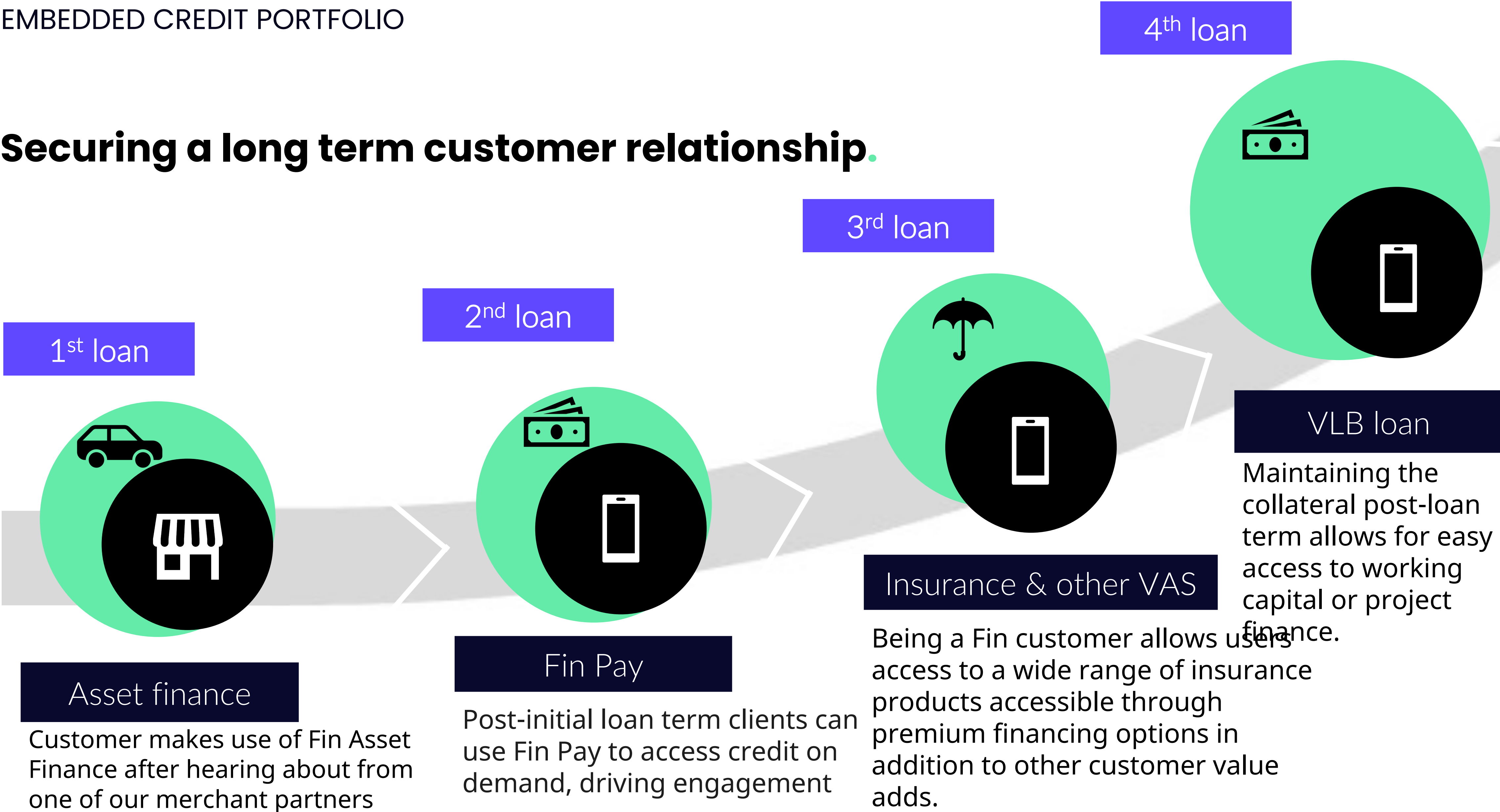


Age: +30 years

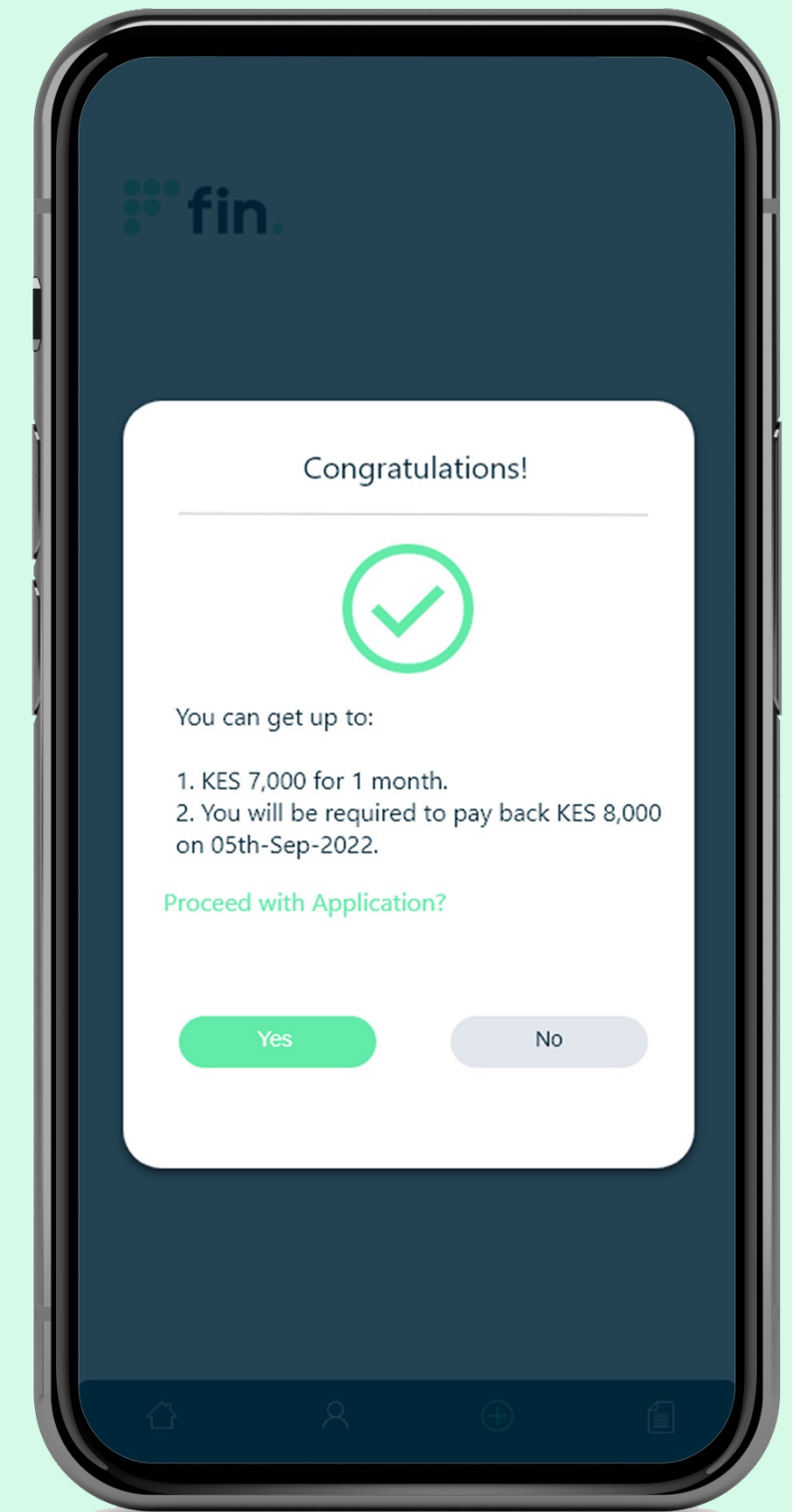
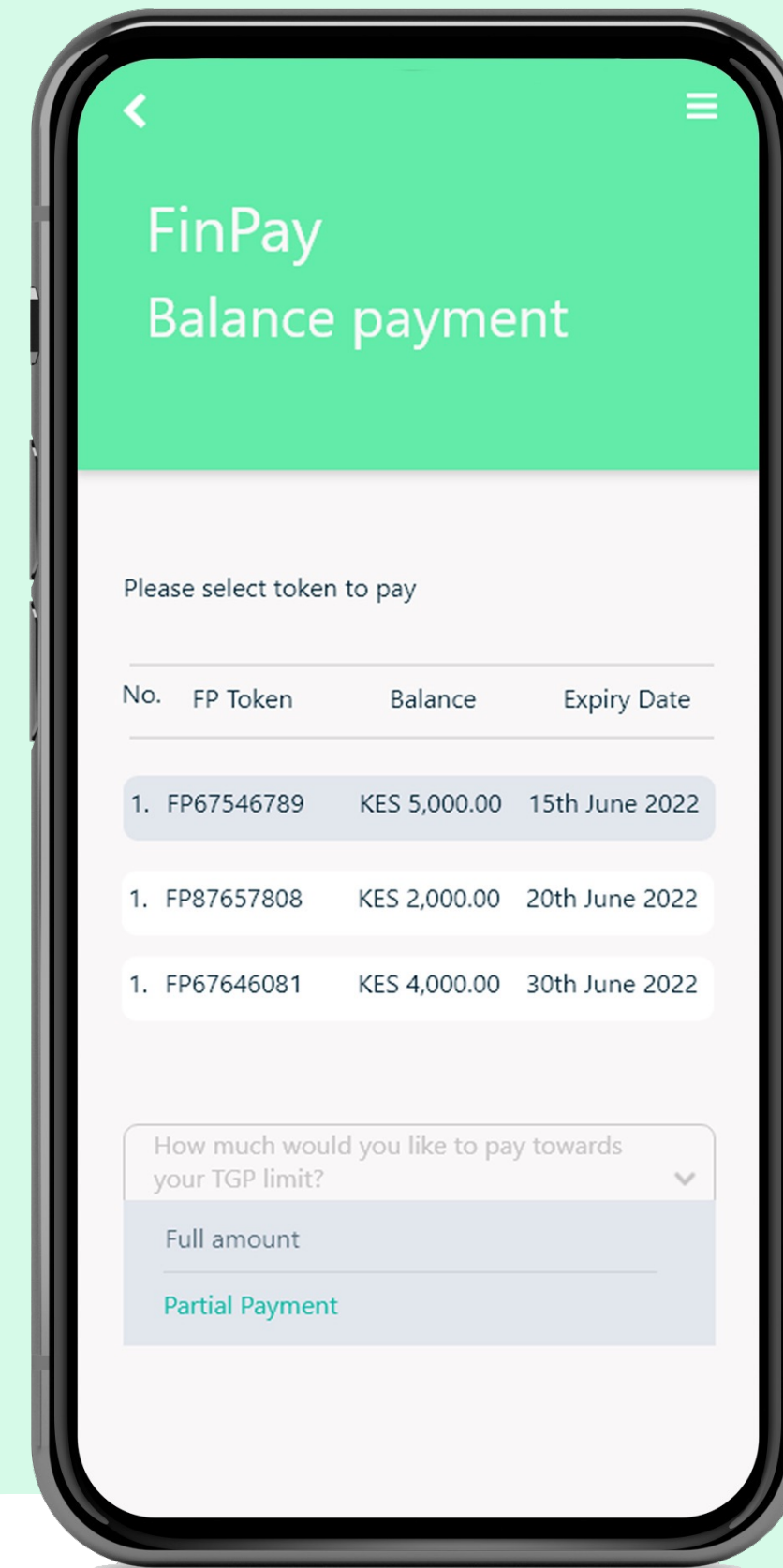
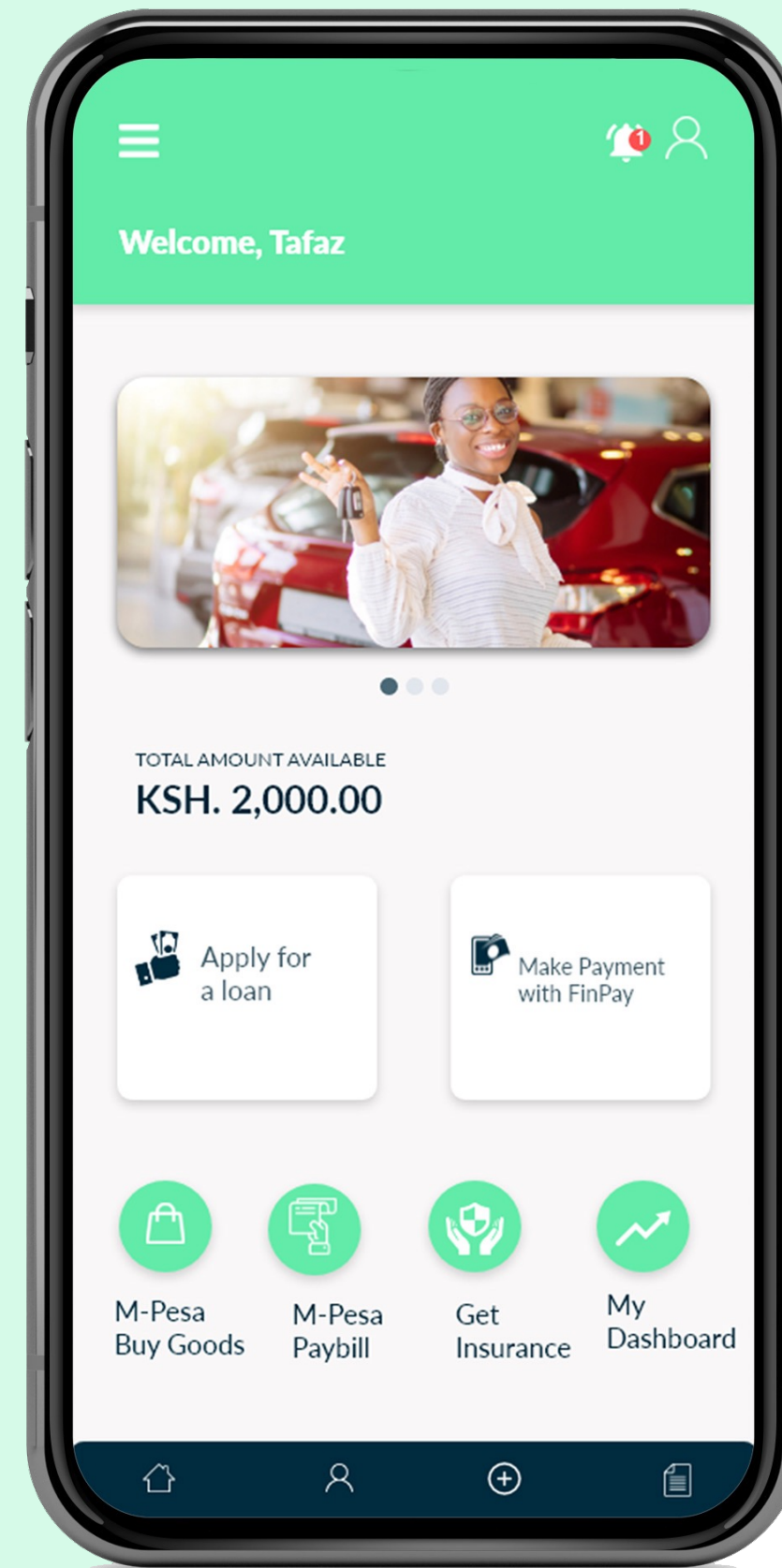
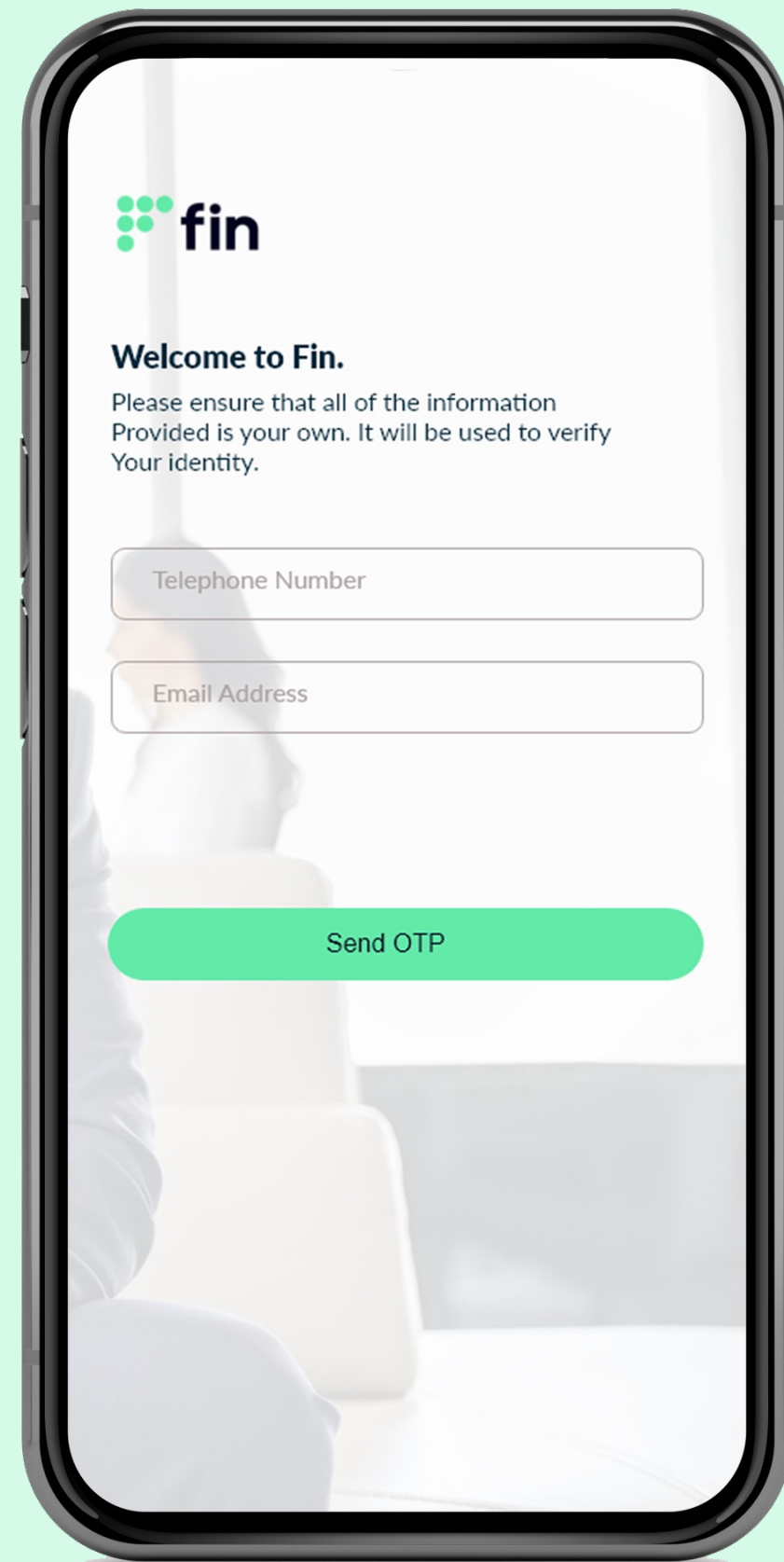


Income bracket: +KES80,000

Securing a long term customer relationship.



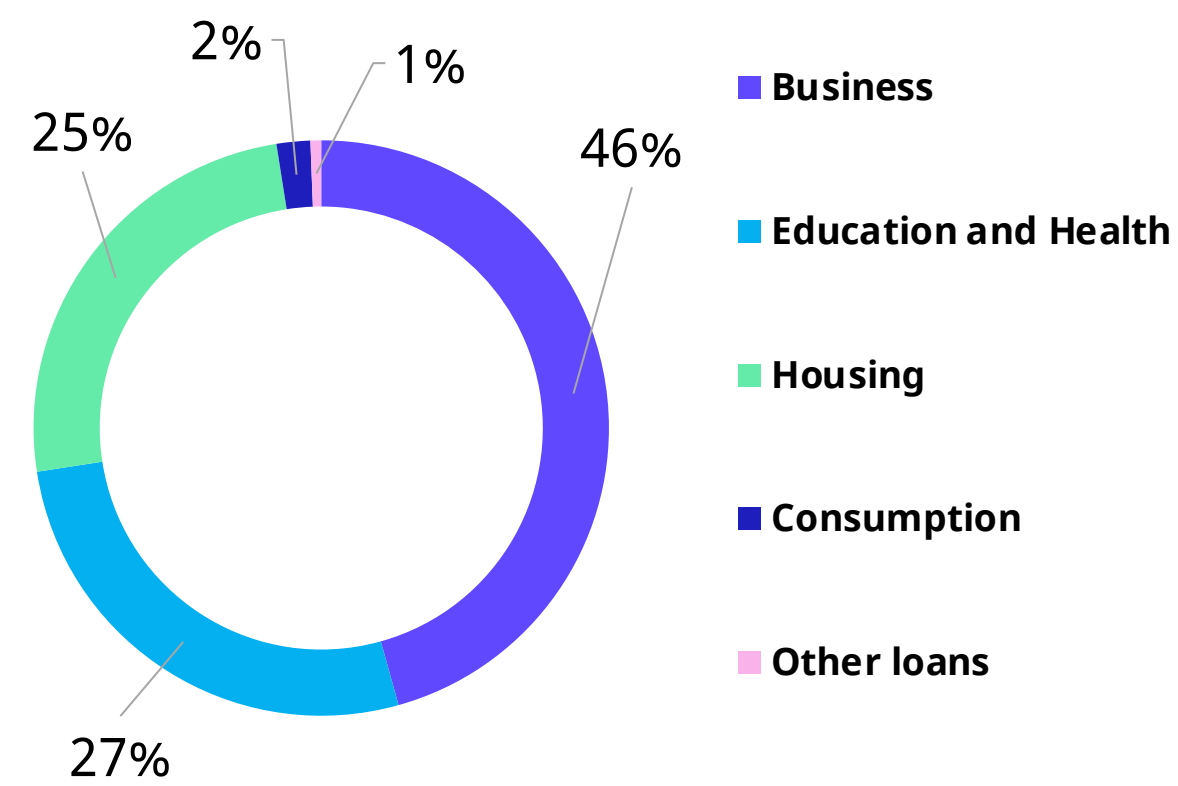
Allowing MSMEs to seamlessly access credit when they need it.



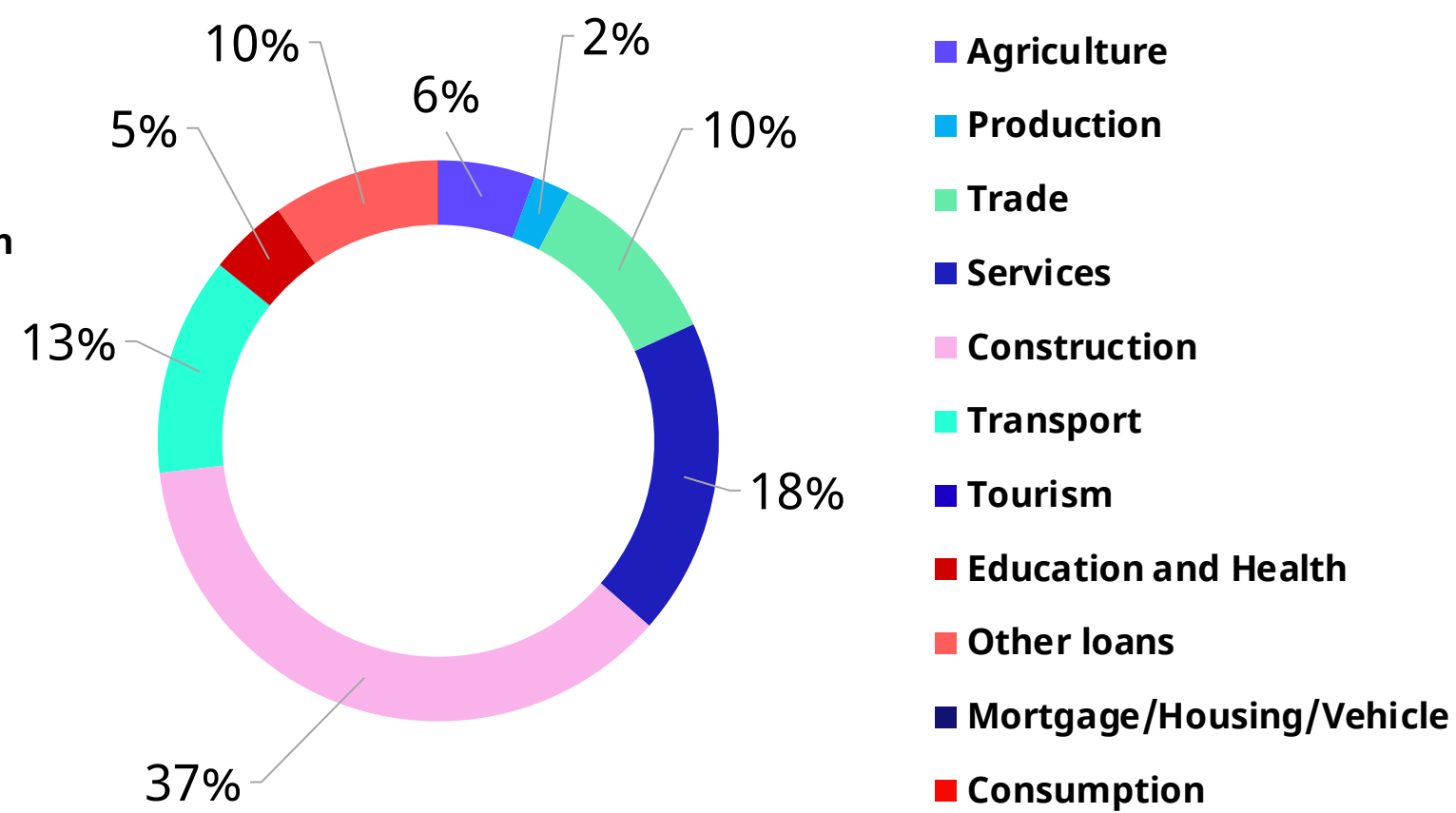
Fin Kenya's customer demographics.

Customer use of funds (% of gross portfolio)

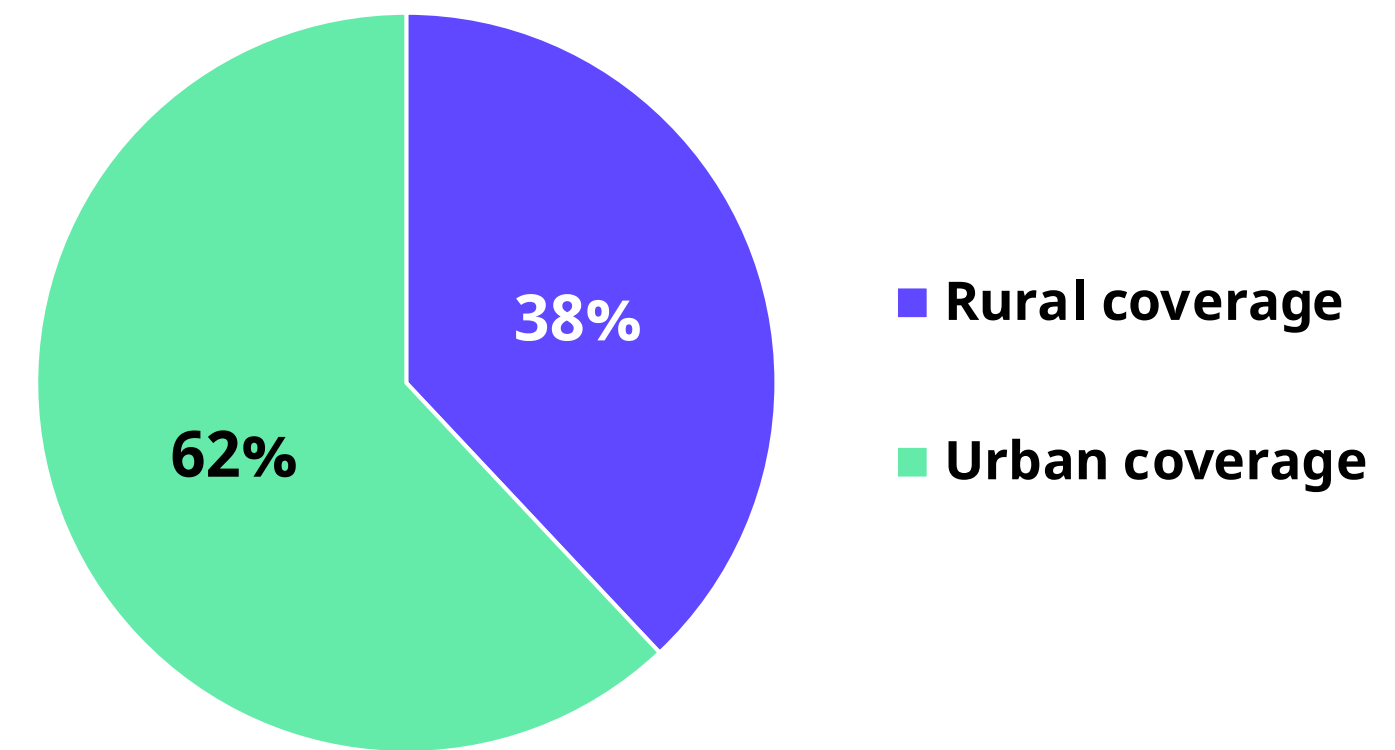
Employee portfolio



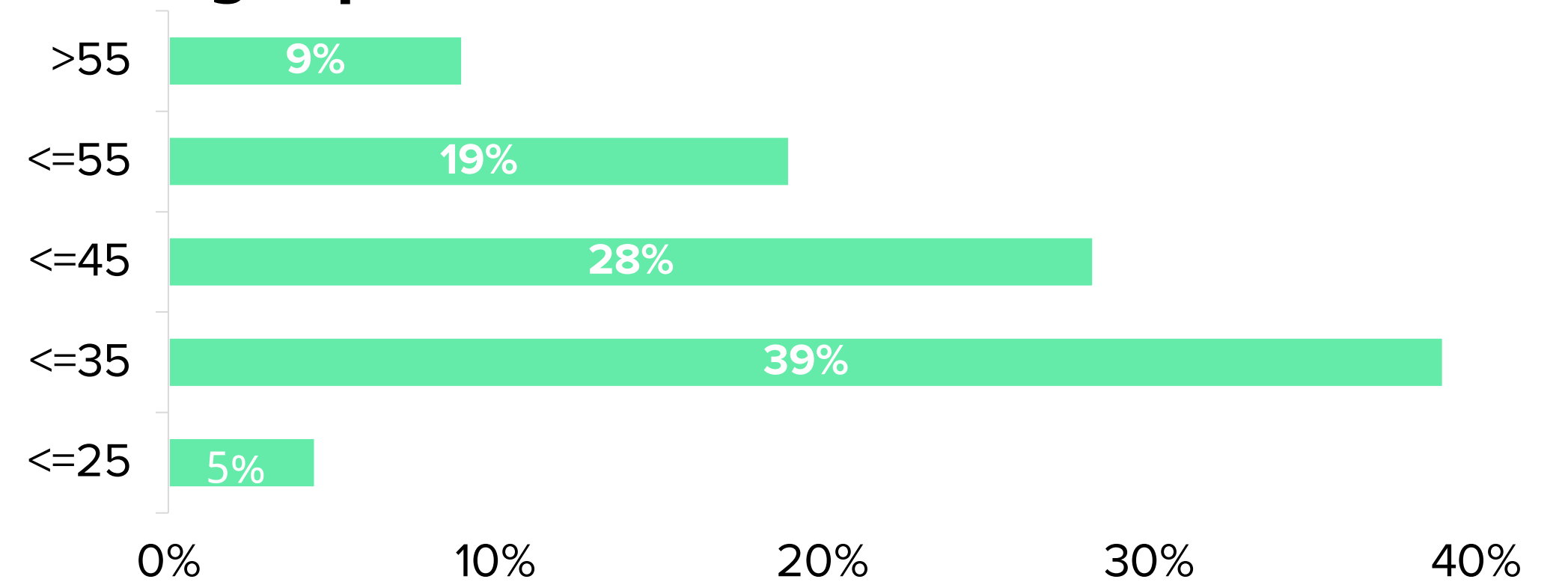
MSME portfolio



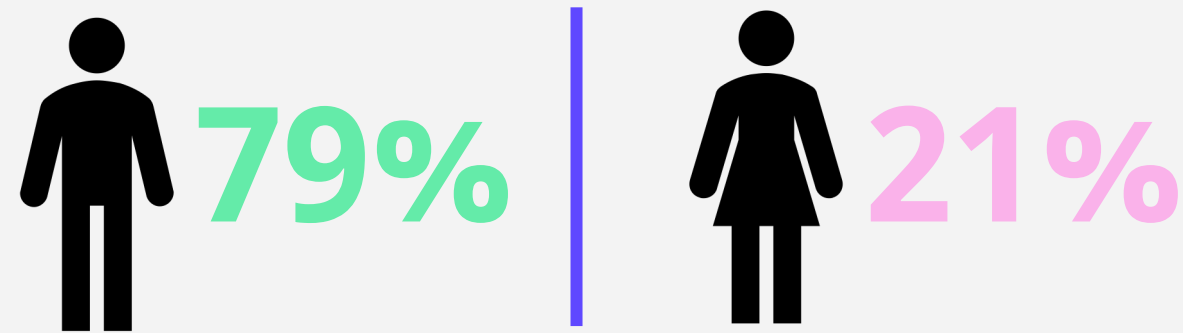
Geography split (%)



Age split (%)



Customer profile



Average loan: **KES 550k**

Average income: **KES 50k**

Average tenure: **625 months**

OUR COMPETITORS

Our competitive edge is a partnership-driven digital distribution model.



	fin KENYA	MyCredit	PLATINUM CREDIT LTD	TALA	mogo	branch micro finance bank
Wallet	0	0	0	0	0	0
Asset finance	0	0	0		0	0
Max loan size	KES 3.5m	KES 10m	KES 2m	KES 50,000	KES 3.125m	KES 300k
Rates	170% - 45%	87.62%	134%-91%	230%	104%-45%	22% - 229%
Size (GLB)	\$7.6m	\$12.4m	\$146.35m	\$28.7m	\$24.6m	>\$10m
Distribution model	Digital, physical and telephonic	Physical and telephonic	Physical	Digital	Merchant	Merchant
Distribution partners	26 branches, 194 agents & 119 employers	15 Branches and 160 agents	60 branches and >1,200 agents	10m+ mobile app downloads	98 branches and >1,000 agents	286 branches and Approx. 12,000 agents
Mobile application	Yes	No	No	Yes	No	Yes

OUR TEAM

Leadership with experience.

Staff base

Number of employees

67  **32**  **35**



Tonderai Mutesva

Managing Director & Fin Group Co-CEO



Robert Kibandi

Head of Credit



Serah Gikonyo

Head of Finance



Eric Ghatii

IT Manager



Rosemary Mundia

Human Capital Manager

Tonderai Mutesva

Tonderai has been the CEO of TrustGro since February 2020. He previously worked with MyBucks SA as a Corporate Finance Executive, ABC Holdings as a Product Development Manager, Atlas Mara as part of the Corporate Development Mergers and Acquisition team and BancABC Zimbabwe as an Investment Banker. He is a holder of a BSc Economics degree, is a CFA charter holder and is certified by the Global Association of Risk Professionals as a Financial Risk Manager.

Rosemary Mundia

Rosemary has seven years of experience in Human Capital. She started at KPMG East Africa as an auditor before moving on to PwC and then 60 Decibels, where she was the People Operations Manager. Rosemary holds a Bachelor's degree in Commerce with a Finance major from the University of Nairobi; a Higher Diploma in Human Resource Management; and a Certified Human Resource Professional qualification - CHRP(K) and is currently working on an MBA at Strathmore University.

Robert Kibandi

Robert is a Certified Public Accountant (CPA) having joined Fin from Maisha Microfinance Bank, where he was serving as the Head of Finance and Administration. Robert brings on board extensive experience in the financial services industry, having worked in Sumac Microfinance and Equity Bank and previously worked as an Auditor at Denis Paul & Associates as well as Nyaga and Associate. Robert holds a bachelor's degree in Business Administration and is currently pursuing a Master of Science from Kenya Methodist University.

Eric Ghatii

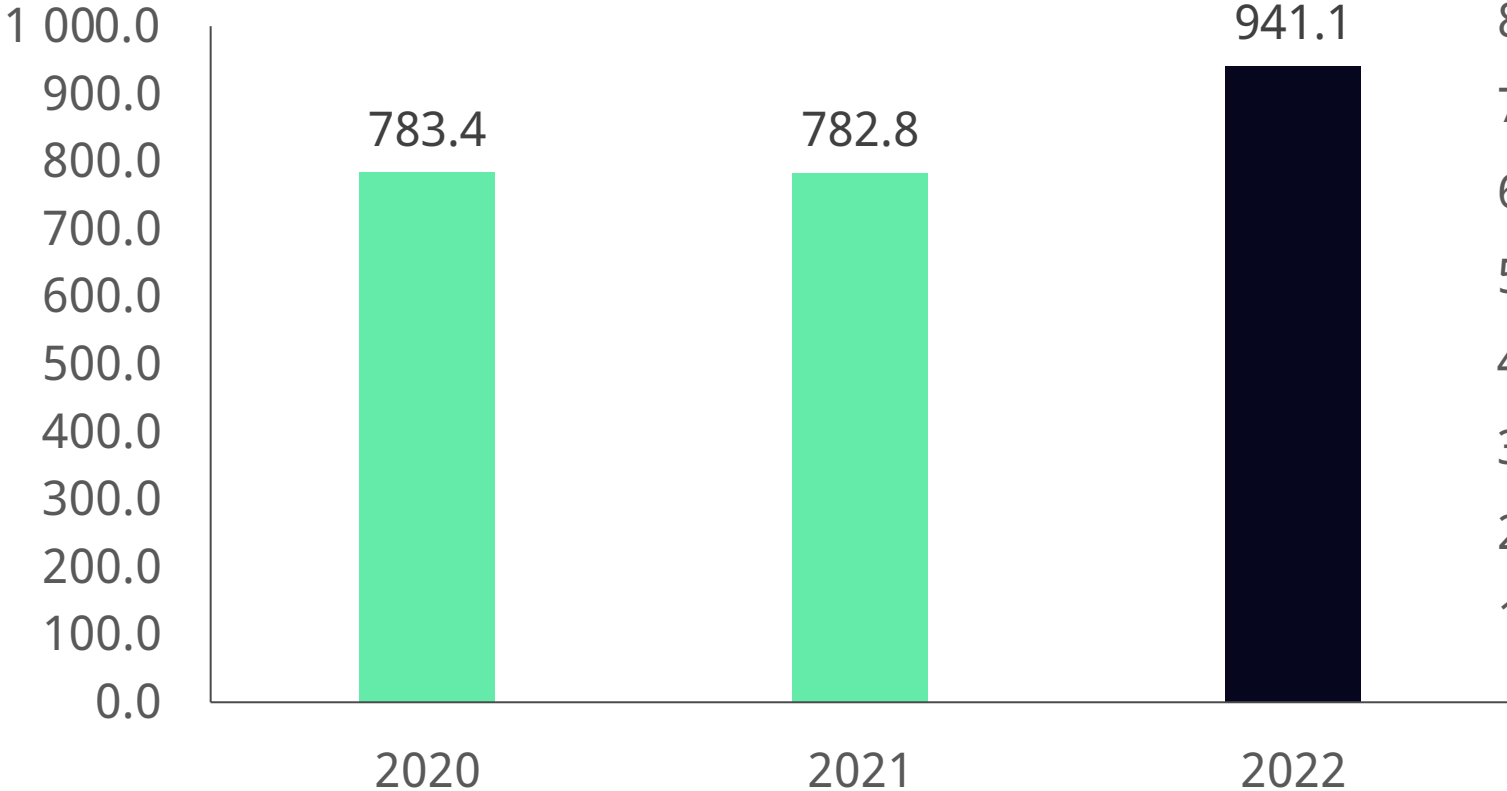
Eric was appointed IT Manager in 2015. He previously worked for Blue Microfinance as IT Manager. He holds an MSc in Information Technology and a BSc in Computing and Information Systems.

Serah Gikonyo

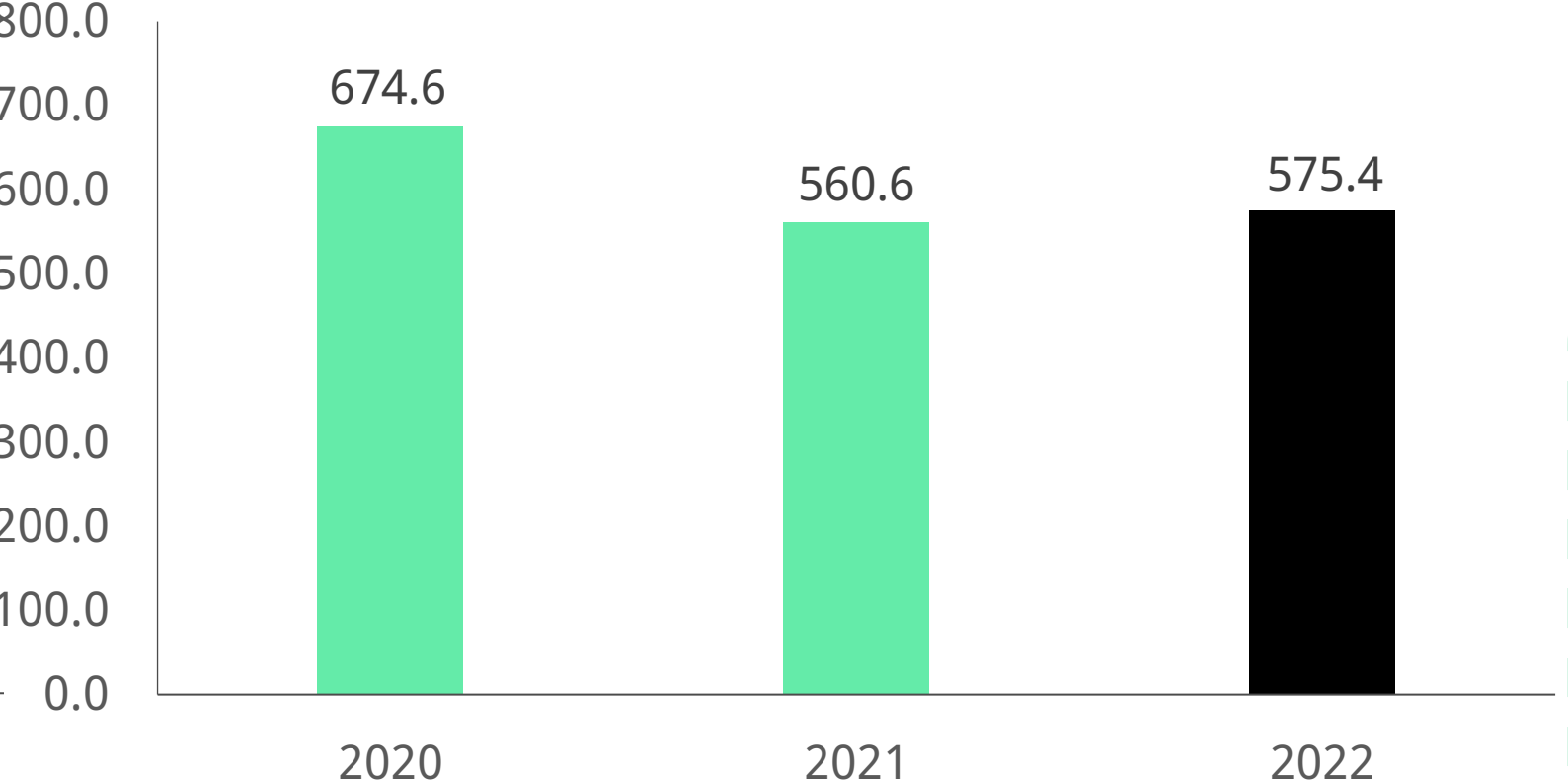
Serah was appointed Head of Finance in March 2022. She has previously worked in the assurance practice at PricewaterhouseCoopers (PwC) in Kenya and the United Kingdom offices, for 13 years. She is a Certified Public Accountant, CPA(K) and a member of the Institute of Certified Public Accountants of Kenya, (ICPAK). She holds a Bachelor of Commerce degree (Accounting option) (Hons) and a Master of Business Administration degree (Finance Option) from the University of Nairobi.

Sustained positive results with embedded credit revenue growing +77% YoY.

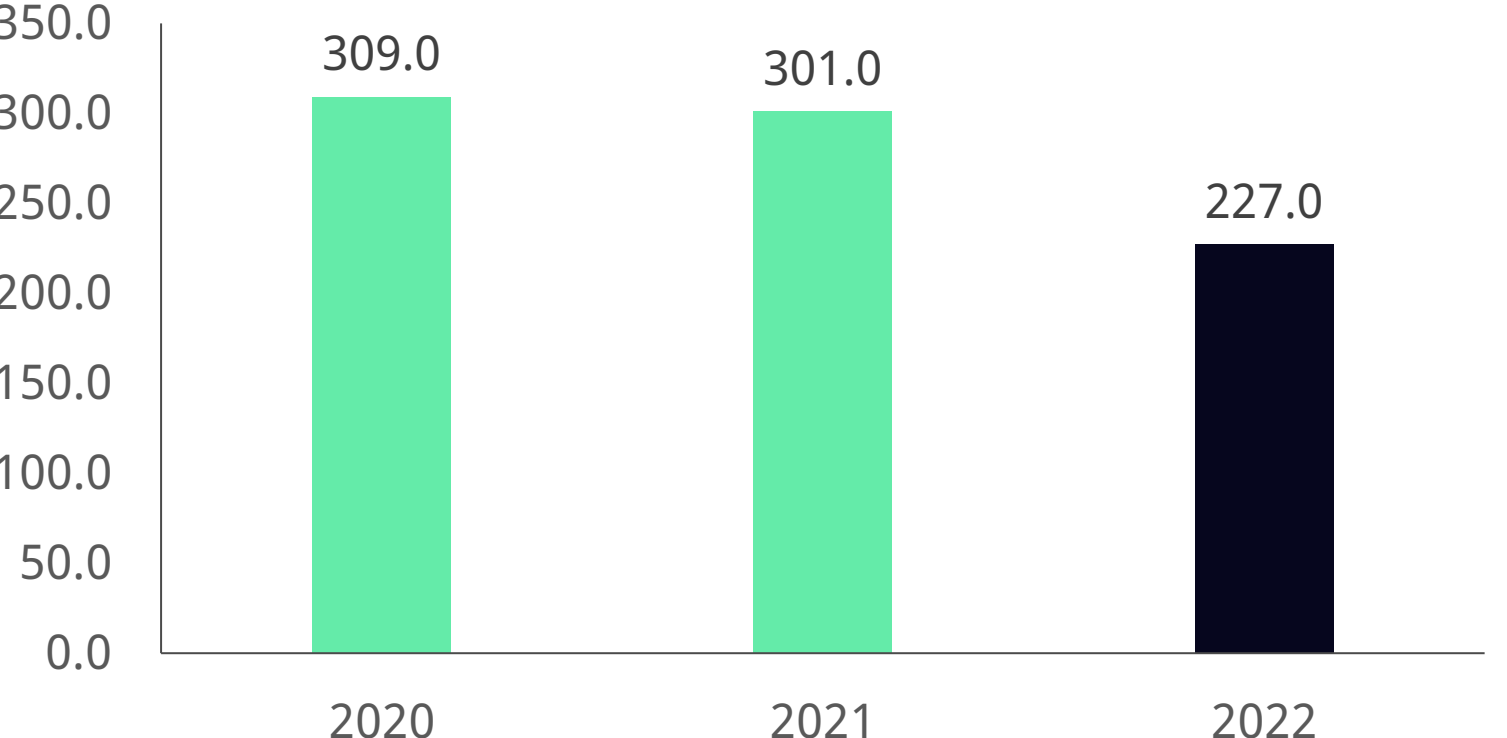
Gross loan book (KESm)



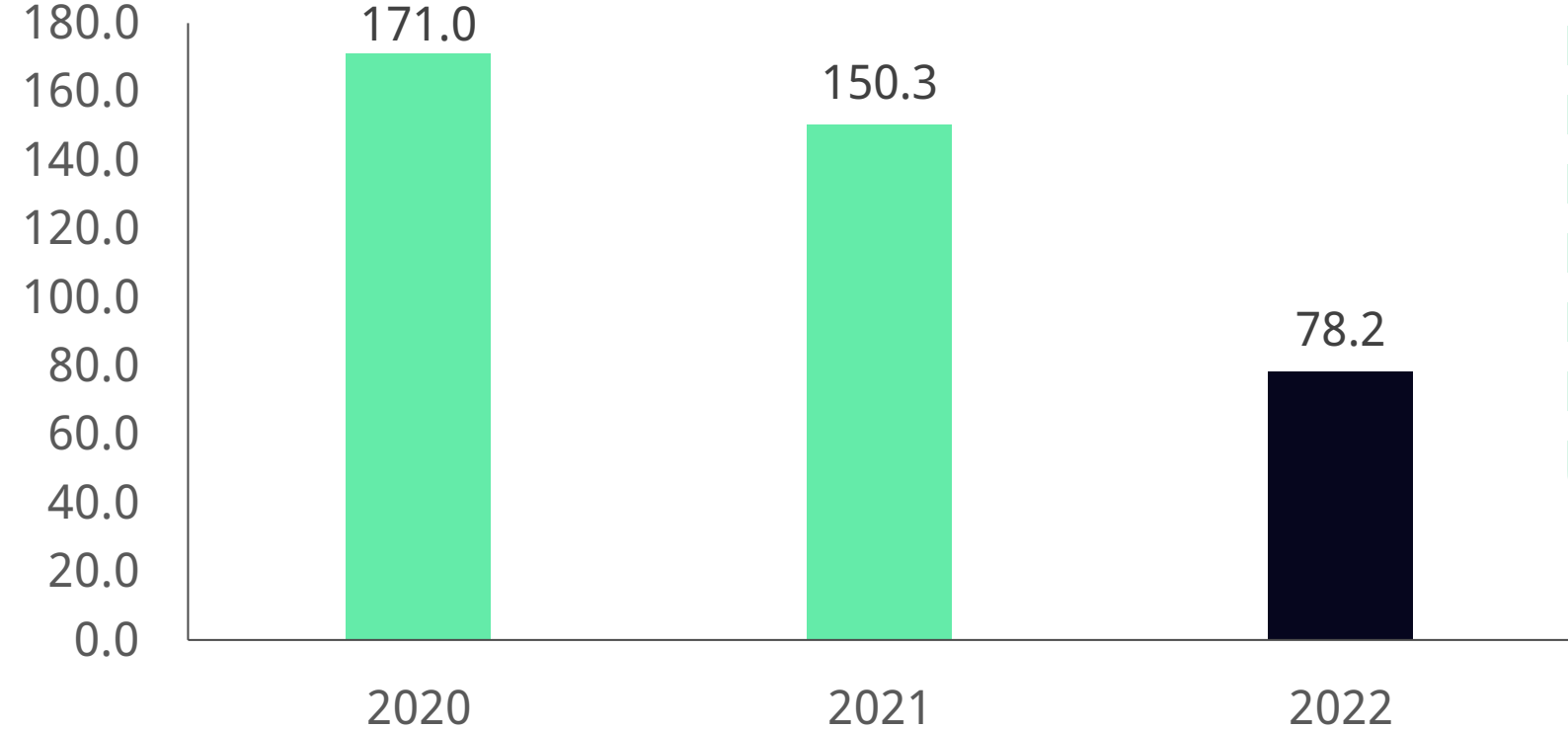
Revenue (KESm)



EBITDA (KESm)



Profit after tax (KESm)

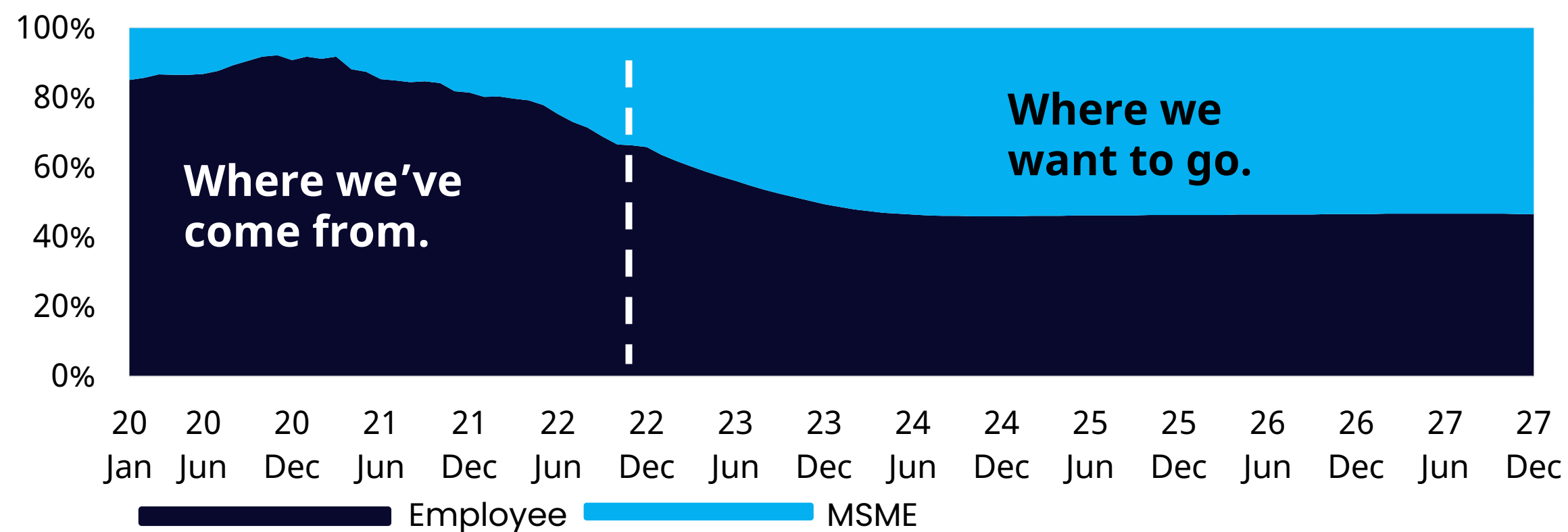


- A slight loan book increase recorded in 2022 despite the election year.
- Reduced profitability and EBITDA explained by:
 - **Adverse currency movements** as the shilling depreciated from 113 to 123 vs the USD over 2022.
 - The **normalisation of credit impairments** relative to post-covid 2021 figures.
- The revenue contribution of our core product, asset-backed loans, grew from **11.7%** in 2021 to **20.2%** in 2022
- Equity capitalisation of **1.53x D/E** allowing for further scaling through leverage.

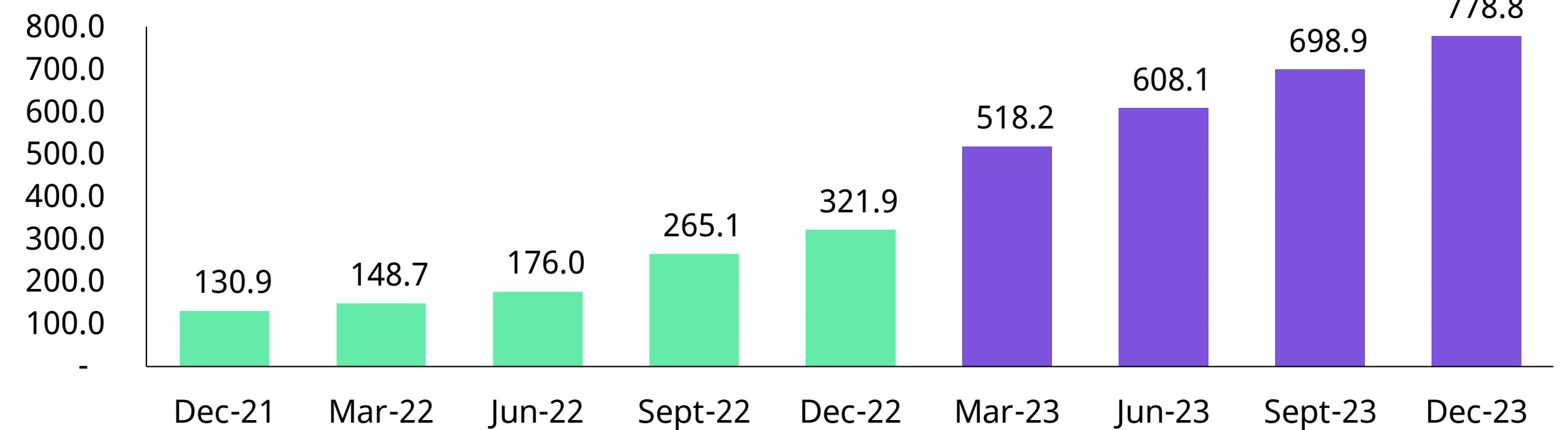
Growth strategy underpinned by embedded credit portfolio.

Our partners help us **acquire** customers by distributing our **Asset finance product** through their existing dealer networks. We then maintain **long-term customer relationships** by providing quick and easy access to financing through **Vehicle Logbook loans** accessible via **Fin Pay**.

Gross loan book split (%)



MSME secured portfolio (KES'000 000)



A robust capital position with capacity for **KES1.2bn** In additional debt.

Fin Kenya current capital structure as at 31 December 2023

(KES '000 000)	2020	2021	2022
Equity	372.8	421.0	496.0
Borrowings	427.8	820.9	724.5
Other debt	24.9	33.4	36.7
Debt to Equity ratio	1.21x	2.03x	1.53x

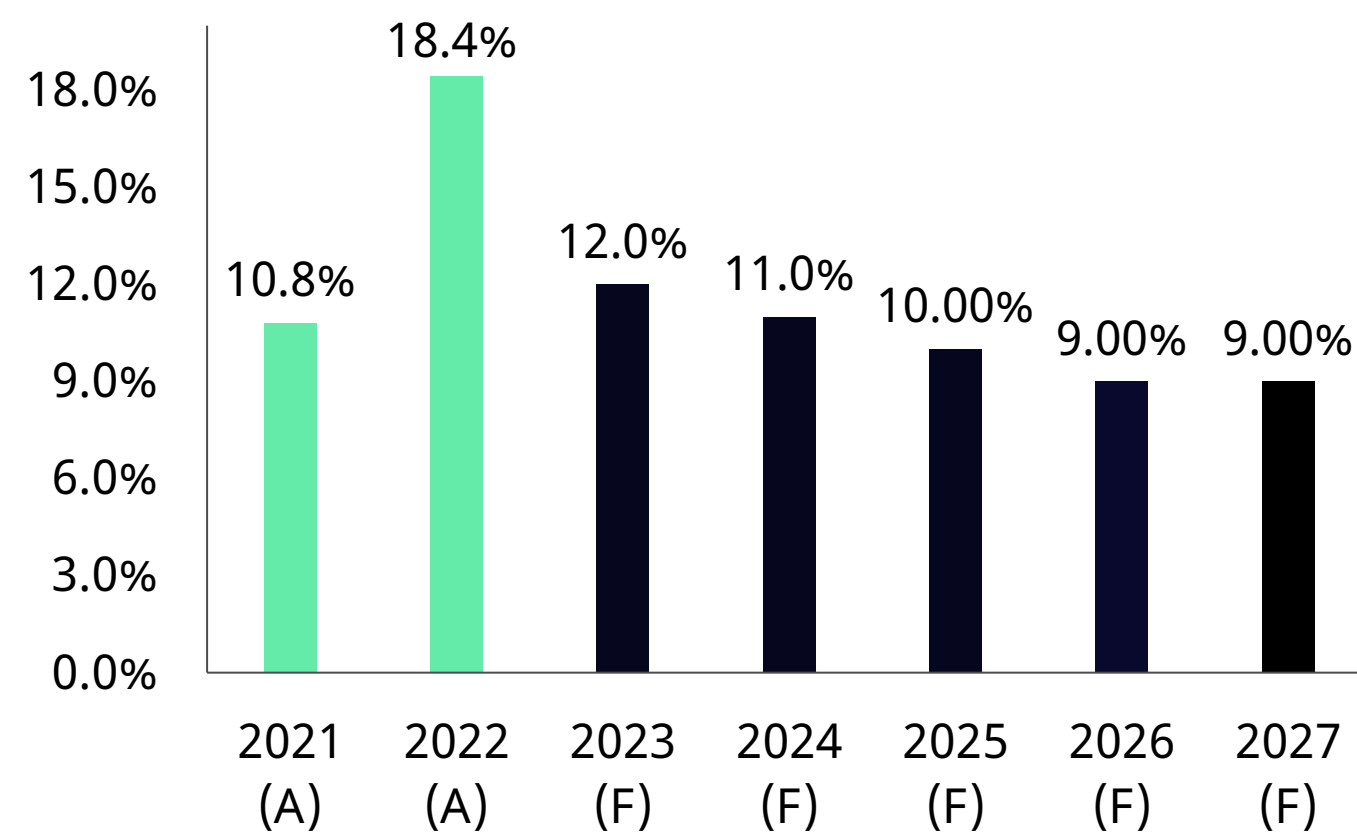
Fin Kenya current debt capital structure as at 31 December 2023

Source(s)	Nature of Facility	Amount (KES)	%
Lendable	Term loan	510 423 278	70.4%
Mintos / Bondster	Peer-to-peer	214 106 216	29.6%
Total debt capital		724 529 494	100%

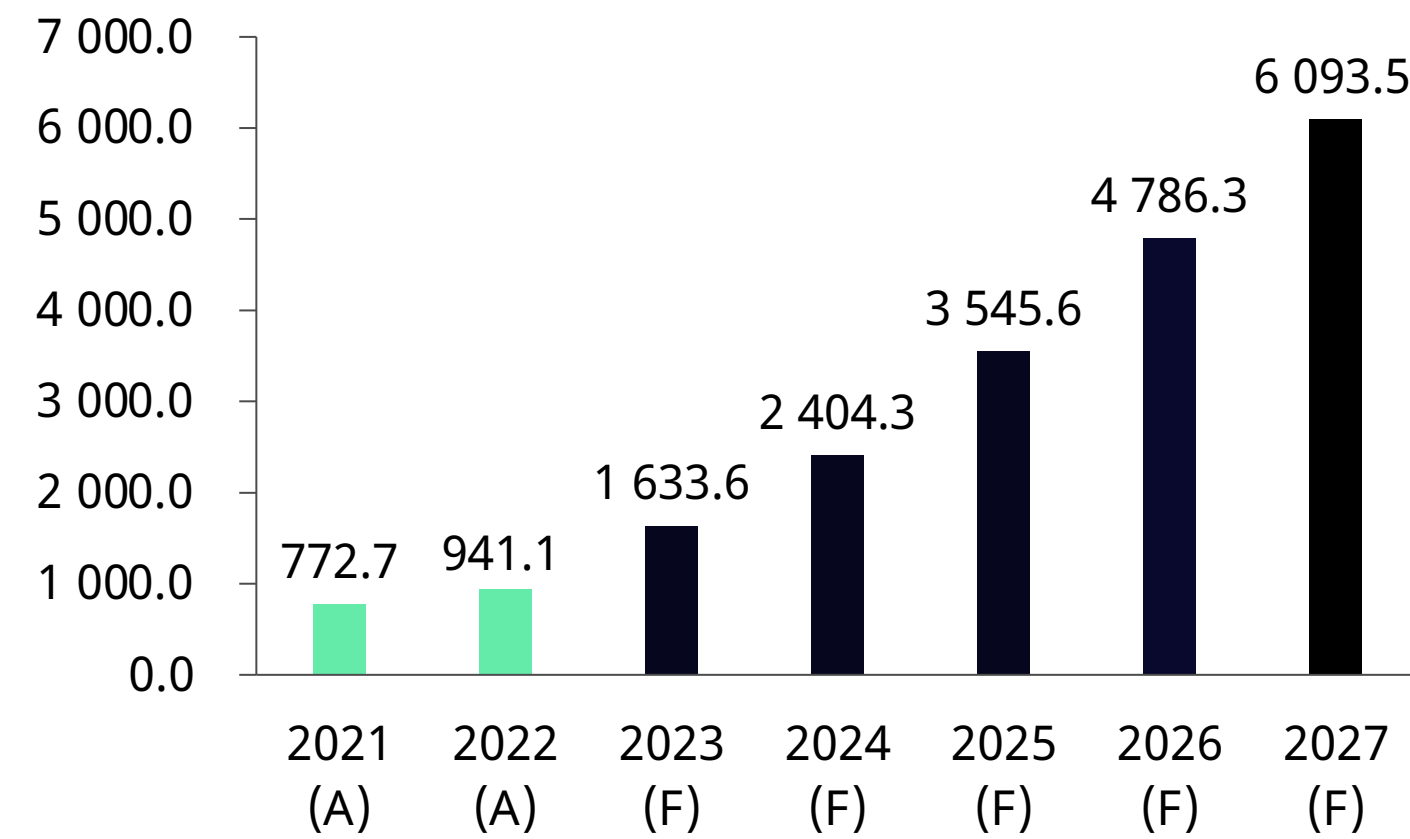
- Fin Kenya closed 2022 with a strong capital position of **KES830m** in debt, with a **D/E of 1.53x** vs a **target of 4x**, providing capacity for a further **KES1.2bn**.
- A well-developed pipeline is already in place for 2023, with multiple term sheets having been received to the value of **\$4m** and due diligence underway, including discussions around a **KES121m** local facility to alleviate this exposure.
- This Will provide the support needed to achieve our targets of **growing our secured MSME portfolio**, which is inline with current discussions which mainly focus on funding our productive asset portfolio.

We can scale our loan book sustainably to KES2bn by 2027.

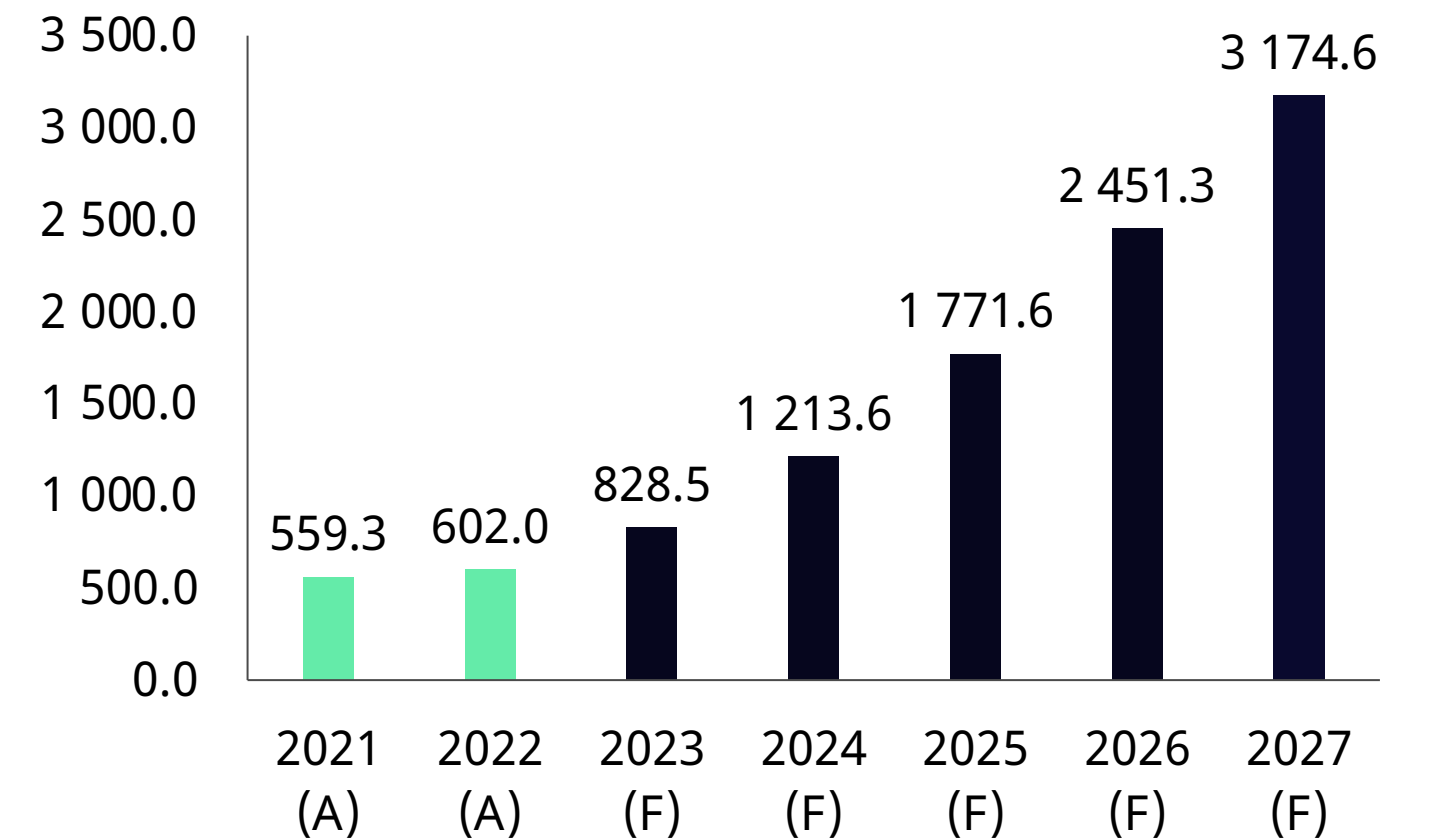
NPLs (%)



Gross loan book (KESm)



Total revenue (KESm)



(KES '000 000)	2021 (A)	2022 (A)	2023 (F)	2024 (F)	2025 (F)	2026 (F)	2027 (F)
Embedded credit portfolio	143.3	322.0	797.3	1 543.3	2 649.0	3 795.7	4 982.4
Legacy products portfolio	629.4	619.1	836.4	861.0	896.6	990.5	1 111.2
Expenses	(420.8)	(502.1)	(689.6)	(865.5)	(1 077.4)	(1 343.0)	(1 612.5)
Net Income	138.5	76.1	138.9	348.1	694.2	1 108.2	1 562.1
Loans PF	772.7	941.1	1 633.6	2 404.3	3 545.6	4 786.3	6 093.5
# Loans	6100	6 820	11 839	17 424	25 695	34 686	44 159

Combining high-returns with doing good.

Meet Jamil.

"I was about to lose the tender to a competitor because I did not have enough working capital to get the project underway. The bank which I have worked with for more than 10 years could not offer me a solution within the set timelines owing to their long appraisal processes.

Thankfully, my friend Kamau, who was my business partner a while ago, referred me to Fin Kenya and their quick turnaround time enabled me to beat the deadline!"

- Mr. Jamil



Meet the Kimani family.

The Kimani family runs a restaurant in Thika town. The hospitality industry was one of the worst affected industries by the COVID pandemic. They visited the Fin Kenya Thika branch and applied for a loan using their personal car as collateral. With the loan, the Kimani family was able to re-open their restaurant to the public.

"Fin Kenya came through for me at a very difficult time not only for me but also for my employees who had to make do with only 50% of their salaries for seven months. My application was approved, and money was disbursed to my bank account within 48 hours!"

- Mr. Kimani

Contact us!



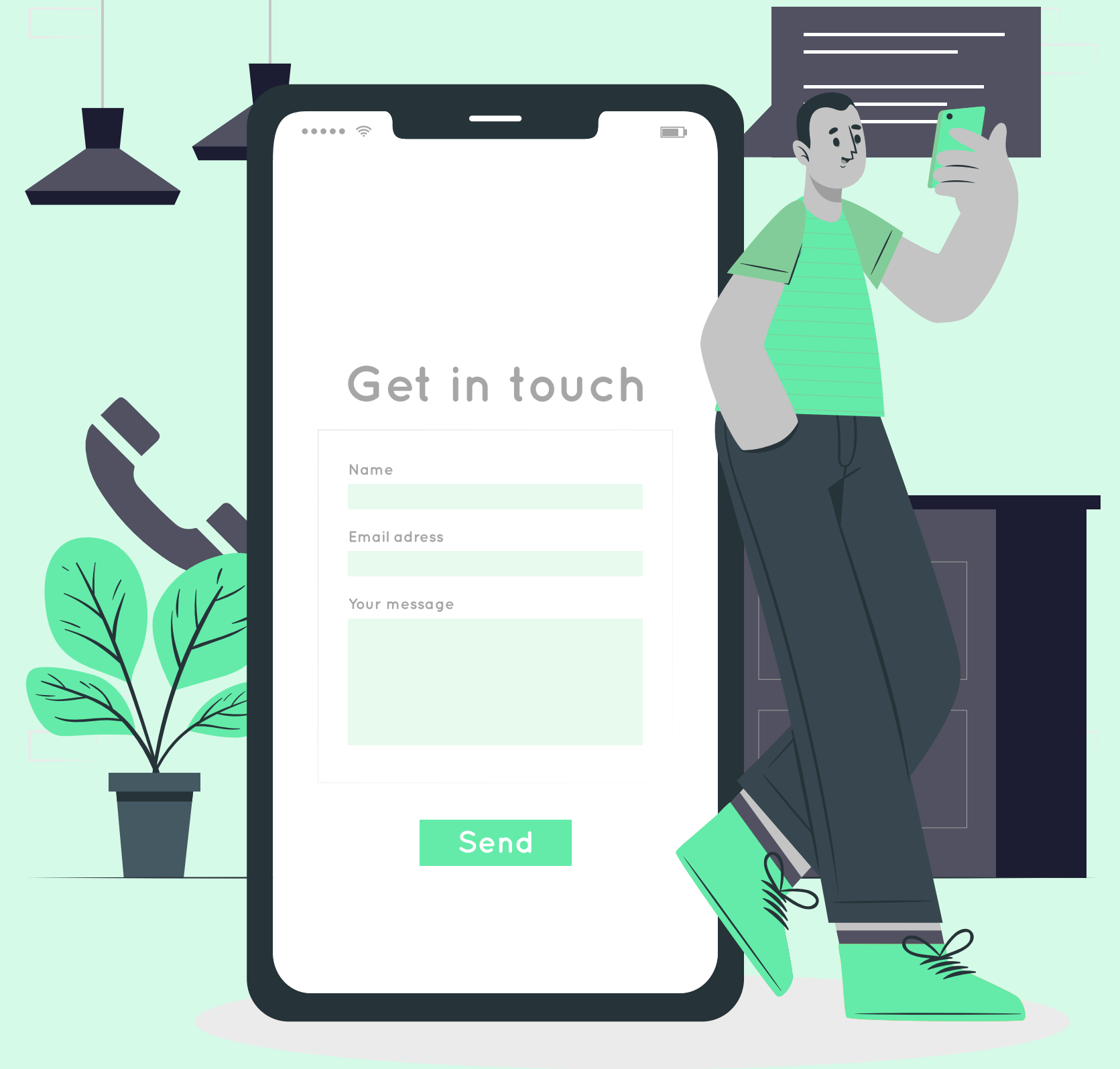
Kenya

1st Floor, Avocado Towers
Muthithi Road, Westlands, Nairobi, Kenya

KE.FIN.AFRICA

+254 11 114 9000

INFO@KE.FIN.AFRICA

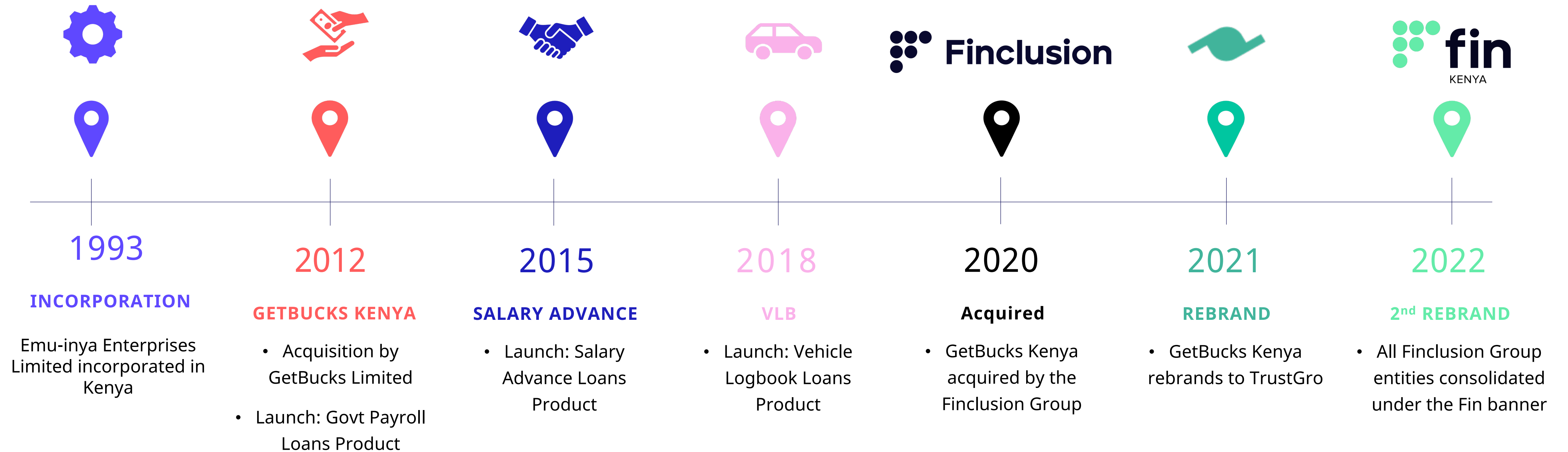


ANNEXURES



HISTORY AND GOVERNANCE

Time line.



Supported by a strong governance layer.



Cyrus M. Munyua
*Independent
Chairman*

Jadiel M. Mwirichia
*Independent
Non-Executive Director*

Isaac O. Miencha
*Non-Executive
Director*

Tonderai Mutesva
Managing Director

Cyrus M. Munyua

Cyrus has a wealth of experience in finance management in the Public Sector. In 2013, Munyua was awarded a Bachelor's Degree in Business Administration, and a Masters of Business Administration degree. He is a Doctor of Philosophy degree in Business Management in Finance. He was also at one time the chairman of the board of Management of Mutuma Trinity Secondary School and the current chairman of the Alumni of Mutuma Trinity Primary.

Jadiel M. Mwirichia

Jadiel holds a Diploma in I.O.B. with over 30 years working experience in Banking Institutions rising from clerical officer to a senior Bank manager. Also an internal credit auditor within Bank Branches countrywide with a view of Improving lending. Operated personal businesses as sole proprietorship for over five with success. Was financial Director of Emuinya Enterprises Ltd and African Financial Services Ltd for several years.

Isaac O. Miencha

Isaac is an advocate of High Court of Kenya having been admitted to the Kenyan Bar in 2003. He is also as Certified Secretary and Patent Agent. Isaac has 19 years experience in corporate, banking, real property and intellectual property law. Isaac has been in private practice and undertaken several briefs including corporate sector and government sectors. Isaac has worked with clientele both locally and internationally.

FINANCIAL DETAIL

Three Year Income statement and 2022 Budget

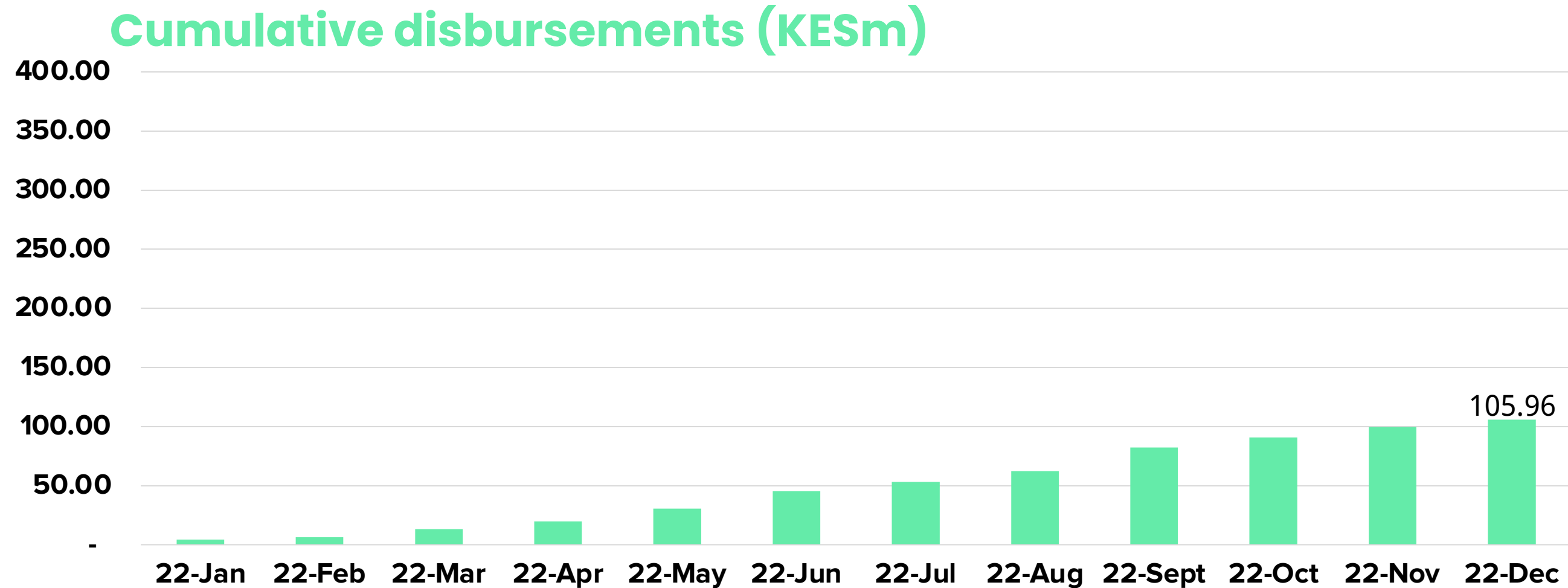
USD (Millions) 31 December	2019 (AFS)	2020 (AFS)	2021 (AFS)	2022 (YTD)
Net Interest Income:				
(+) Interest Income:	1.36	2.9	2.67	3.12
(-) Interest Expense:	-0.22	-0.65	-0.86	-1.15
Total Net Interest Income	1.14	2.25	1.81	1.97
(+) Non-interest income	1.39	3.44	2.44	1.76
(-) Impairments	-0.36	-0.67	0.25	-0.41
(±) Foreign exchange gains/losses	-1.25	-1.04	0.03	-0.25
Operating Income	0.92	3.98	4.53	3.06
Operating Expenses:				
(-) Employee Costs:	-0.36	-0.94	-1.02	-1.12
(-) Professional Fees:	0	-0.05	-0.08	-0.16
(-) Other Operating Expenses:	-0.53	-0.63	-1.02	-0.54
(-) Sales/Marketing Expenses:	0	-0.11	-0.11	-0.06
(-) Fee and Commission Expense:	0	0	-0.42	-0.41
(-) Management Fees / Royalties	-0.19	0	0	0
(-) Depreciation & Amortization:	-0.02	-0.16	-0.1	-0.08
Total Operating Expenses	-1.11	-1.89	-2.75	-2.37
Profit before tax	-0.19	2.09	1.78	0.69
(-) Income Tax Expense	-0.32	-0.49	-0.41	-0.03
Profit after tax	-0.51	1.61	1.37	0.66

Three Year Balance Sheet and 2022 Budget

USD (Millions) 31 December	2019 (AFS)	2020 (AFS)	2021 (AFS)	2022 (YTD)
Assets:				
Cash and cash equivalents	0.11	0.79	2.79	0.55
Gross Loans	9.14	7.18	6.92	7.62
(-) Provisions	-1.89	-1.53	-0.76	-0.63
Net Loans and advances to customers	7.25	5.65	6.16	6.99
Related party loan	0	0.01	0.62	1.07
Other assets	0.43	0.47	1.4	0.71
Deferred tax assets	0	0	0	0.21
Investment in Insurance Contracts	0	0	0	0
Property, plant and equipment	0.17	0.27	0.3	0.65
Intangible assets	0	0	0.01	0.00
Goodwill	0	0	0	0.01
Total assets	7.97	7.57	11.3	10.18
Equity:				
Share capital	4.62	5.33	5.14	5.08
Retained earnings	-3.49	-1.91	-1.41	-1.46
Total equity	1.13	3.42	3.72	3.62
Liabilities:				
Bank overdraft	0.04	0	0	0
External borrowings	5.16	3.92	2.26	1.73
Related party loan	1.19	0	5	4.13
Shareholder loans	0	0	0	0
Other liabilities	0.44	0.23	0.30	0.37
Total liabilities	6.83	4.15	7.55	6.24
Total equity and liabilities	7.97	7.57	11.3	9.86

Vehicle Logbook Loans.

- This is a product that is designed to allow for easy and efficient access to significant loan sizes so that Fin Kenya can be there when our customers need us most.
- This product is ideally suited for businesses looking to fund their working capital or support a particular contract.
- We provide Vehicle Logbook Loans of up to Kes 5 million for both business owners and employees who own cars, with a repayment period of up to 24 months.
- Additionally, we offer buy-off loan solutions for civil servants with loans from other lending institutions.



Product details

Product terms

- Secured loan
- **Market:** Vehicle owners in business or employed individuals
- **Max term:** 24 Months (Average: 18.66 months)
- **Amount (KES):** 50,000 to 5 Million
- **APR:** 92.51%

Customer details

#
121

79%

21%

110.39m

Gross Loan book KES

59.7%

Yield %

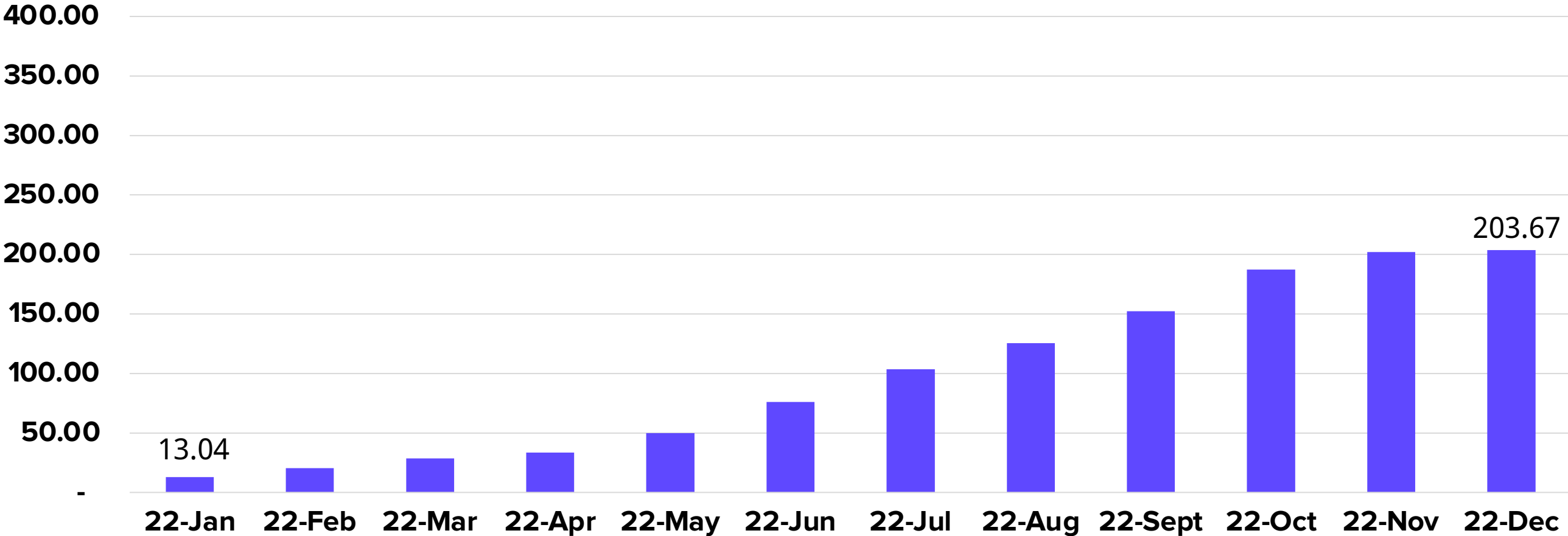
0.39%

ECL %

Asset finance loans.

- Ensuring our customers can access what they need to take their businesses or personal life to the next level is a top priority.
- For this, we provide vehicle financing at flexible terms of up to 80% of the car value allowing our customers to acquire their vehicle today and repay it over up to 48 months.
- This allows businesses to get the delivery vehicle they've needed or expand their operations and allows individuals the chance to own to drive a safe and reliable vehicle, saving them time and protecting their families.
- Customers who repay their facilities are encouraged to maintain their security and to provide quick access to VLB products for further business needs.

Cumulative disbursements (KESm)



Product details

Product terms

- Secured loan, with amounts paid directly to vehicle dealer
- **Market:** Employees & business owners
- **Max term:** 48 Months (Average: 45.99 months)
- **Amount (KES):** 50,000 to 3.5 Million
- **APR:** 48.41%

Customer details

155
 80%
 20%

Product performance

211.52m

Gross Loan book KES

41.4%

Yield %

0.39%

ECL %


PRODUCTS

Insurance premium finance.

- Many consumers and businesses struggle to afford the once-off upfront insurance payment, often required to pay the insurance premiums needed to get covered.
- This puts many off accessing insurance altogether, which has contributed to Kenya's poor insurance penetration. Data from the Insurance Regulatory Authority (IRA) shows that insurance penetration in Kenya is about 2.23%, against a global average of 7%.
- To this end, Fin Kenya has partnered with mTek, an insurance platform providing digital access to insurance products, to arrange insurance premium financing for mTek customers, bridging the gap needed to drive further penetration.
- As a result of this partnership, Fin Kenya and mTek has recently been joined by Kyosk.app to provide insurance services to over 100,000 informal retailers.

Extending our reach to over 100,000 kiosks

The cover is a Britam product and will be provided through mTek's digital system which enables paperless transactions. Kyosk.app will facilitate a direct and seamless link to its network of 100,000 informal retailers, while Fin Africa will provide affordable financing for the insurance services.






Product details

Product terms

- Unsecured loan
- **Market:** Customers accessing insurance products
- **Max term:** 1-12 Months
- **Amount (KES):** 10,000 to 1.5 Million
- **APR:** 86-48%

Target customer details

 100,000  50% |  50%

Partners



Non-core product portfolio.

	Payroll	Salary Advance	IPF
Unit economics			
(+) Yield	62.30%	89.60%	89.60%
(-) Credit losses	-10.20%	-26.60%	-26.60%
(-) Cost of funding	-23.60%	-23.60%	-23.60%
(-) Direct costs	-8.30%	-0.40%	-0.40%
Unit net profit	20.20%	39.00%	39.00%
Avg. tenure	78.66 months	1 month	1-12 months
Avg. loan size	KES 101,622	KES 48,470	N/A

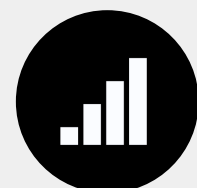
Salary advance For privately employed clients who are looking for immediate access to short term financing.

Payroll Long term financing for clients looking to grow a side hustle or fund their family's personal development.

Our Target Market Employed individuals looking to grow.

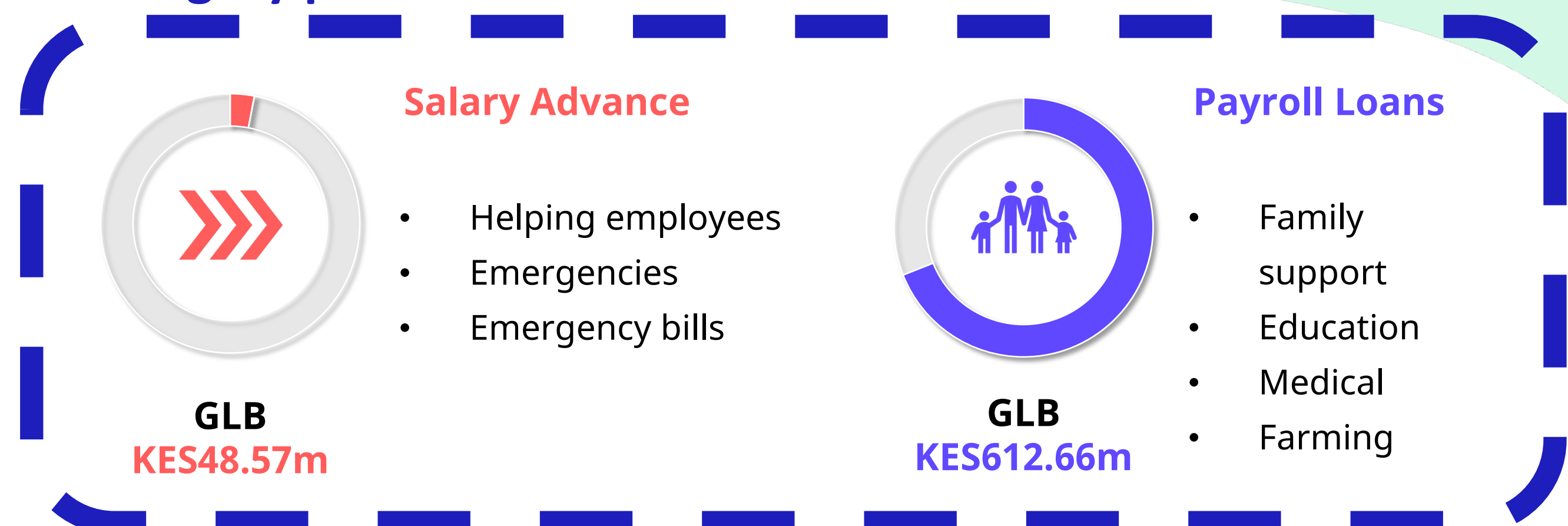


Age: +25 years



Income: +KES20k

Our legacy portfolio



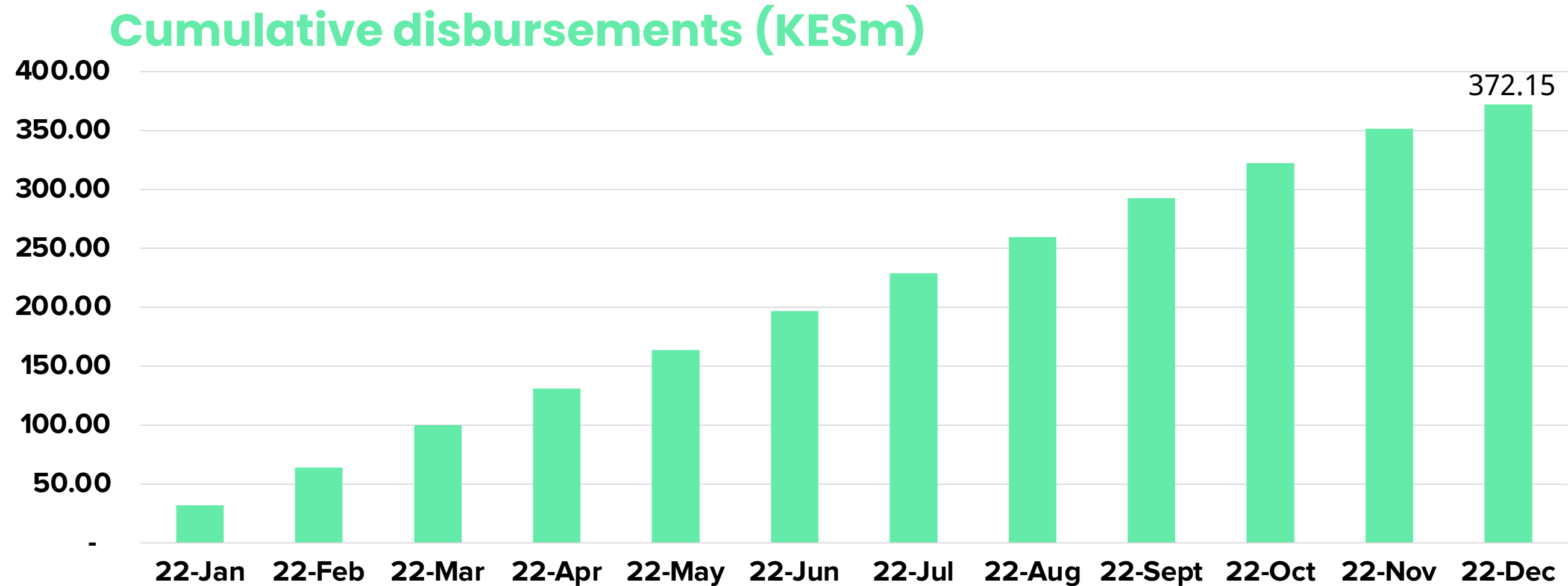
Insurance premium finance*



The cover is a Britam product and will be provided through mTek's digital system, enabling paperless transactions. Kyosk.app will facilitate a direct and seamless link to its network of 100,000 informal retailers, while Fin Kenya will provide affordable Insurance Premium Financing. ***Product still in pilot phase**

Government payroll loans.

- Fin Kenya’s largest customer segment comprises civil servants and other government union workers, to whom they provide credit products deducted via payroll deduction.
- Due to the secure nature of the collection mechanisms and the low staff turnover rate within the government institutions, the maximum loan amount is KES1.5m.
- Due to the highly competitive nature of the government payroll space, competition has driven the maximum loan terms up to 108 months, with Fin Kenya deciding on 96 months being the current optimal position,



Product details

Product terms

- Unsecured loans
- Market: Government employees
- Max term: 96 Months (Average: 78.60 months)
- Amount (KES): 10,000 to 1.5 Million
- APR: 47.54%

Customer details

#
5,902

80%

20%

Product performance

587.19m

Gross Loan book KES

63.9%

Yield %

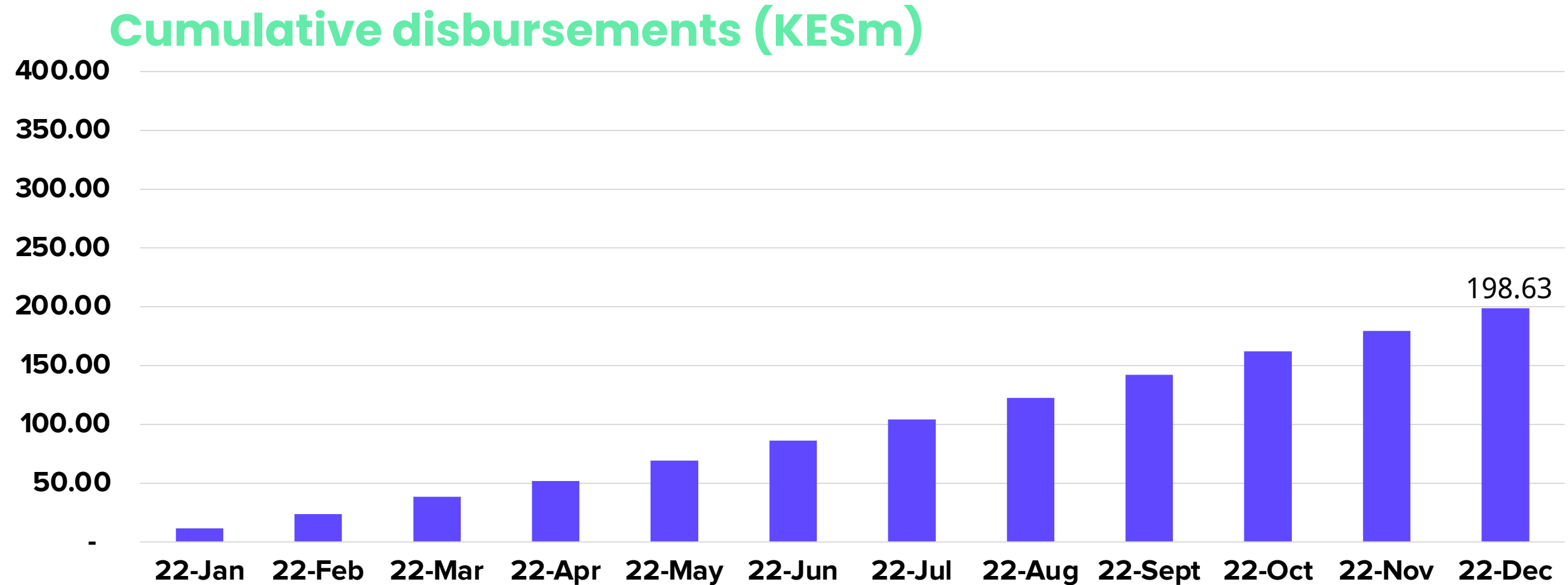
10.2%

ECL %

PRODUCTS

Salary advance.

- This loan is for customers looking to sort out their mid-month emergency, as time is of the essence, cash is paid out within 30 minutes.
- Due to the short-term nature of the product, the maximum loan amount is far lower than other products, with a once-off fee of 10% capitalised to the loan balance.
- This product is made available to private-sector employees, with a bank statement and Mpesa statement required for verification purposes.



Product details

Product terms

- One-month salary advance
- **Market:** Private sector employees
- **Max term:** 1 Months (Average: 1 months)
- **Amount (KES):** 5,000 to 200,000
- **APR:** 121.67%

Customer details

545
 64%
 36%

Product performance

48.57m

Gross Loan book KES

89.6%

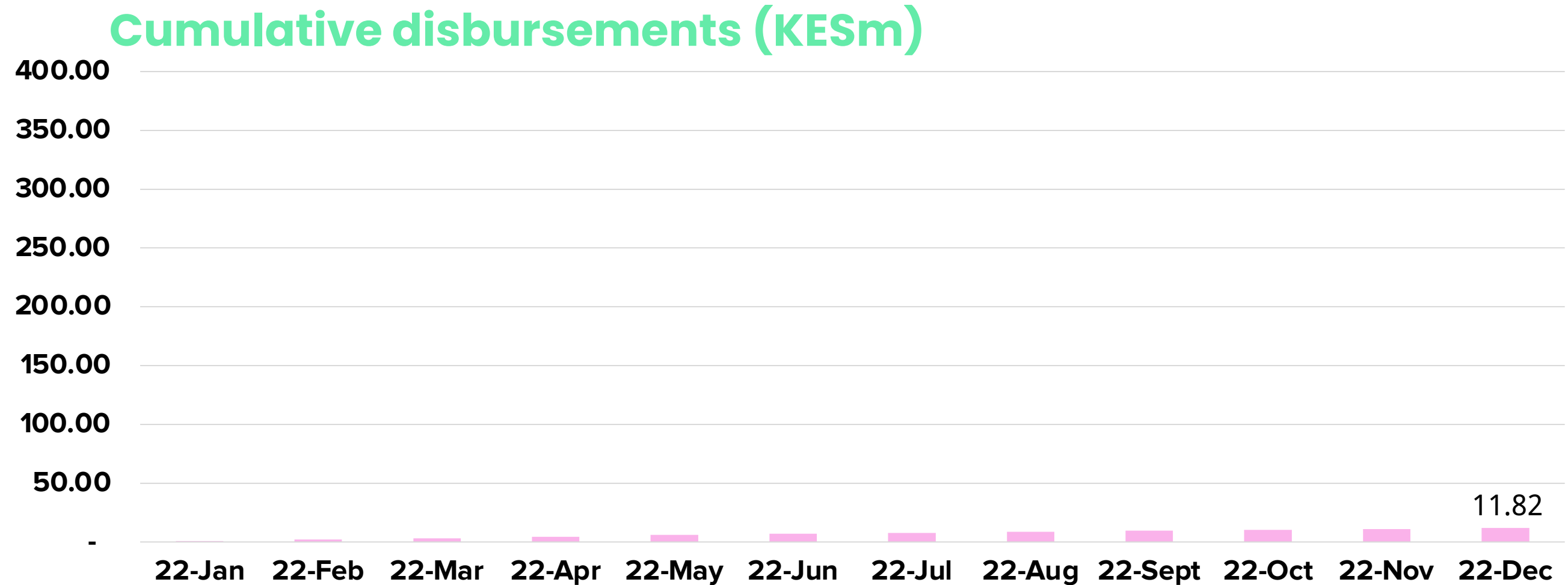
Yield %

26.6%

ECL %

Private payroll.

- Fin Kenya has partnered with employers within the private sector to provide short-term financing to their employees, with the amounts deducted directly off at the payroll.
- Due to the early nature of this product, the maximum loan amount is still kept prudentially low at KES100k, with the client having up to 3 months to repay their facilities.



Product details

Product terms

- Short-term unsecured loan
- **Market:** Employees of private sector companies
- **Max term:** 3 Months
- **Amount (KES):** 1,500 to 100,000
- **APR:** 78.00%

Customer details

120
 54%
 46%

Product performance

25.47m

Gross Loan book KES

35.9%

Yield %

34.4%*

ECL %

*Product still in pilot phase with limited new disbursements 3 month product term contributing to higher than average NPL's.



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