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Welcome to the DTB Financial Literacy Training

Module 1

20th August 2021

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DTB *INUA BIASHARA*

CREDIT GUARANTEE SCHEME FOR MSMEs

20th August 2021

DTB Kenya offers a financial literacy training curriculum, in partnership with Kenya Bankers Association (KBA) for micro, small and medium enterprise (MSME) operators in Kenya.

Over 500 business owners across East Africa have so far benefited from such capacity development programmes.



"Before the training, I would supply my customers on credit until I almost went out of business until one of my customers, who is also a DTB customer, referred me to DTB who I then began to bank with. Though I considered my business to be very small, DTB supported me with a loan, which elevated my business."

– Gladys Njeri, Business owner, Nairobi.

The training curriculum covers:

- Module 2- Entrepreneurship
- Module 3-Financial Management
- Module 4-Business planning & strategic planning
- Module 5-Operations and value chain
- Module 6-Marketing & Business Communication.
- Module 7-Human Resource Management
- Module 8-Legal Management & Rights and the Socio-Economic Roles of MSMEs.



Introduction to the Credit Guarantee Scheme

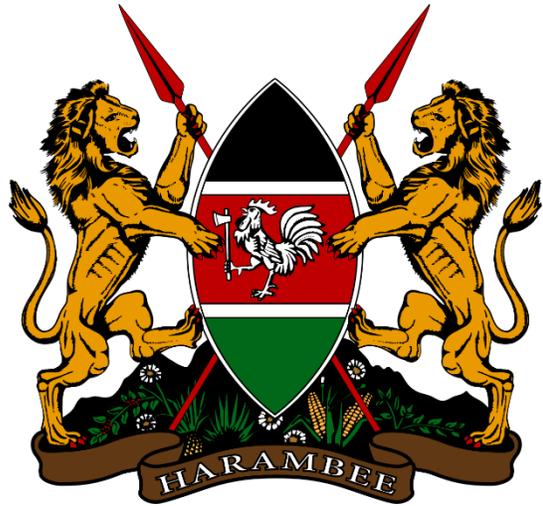
The Government of Kenya has recognised that MSMEs have been disproportionately affected by COVID-19 pandemic and require immediate life-line interventions and re-evaluation of their operating environment.

To mitigate the economic impact of the pandemic, the Government has established a short-term intervention measure through establishment of a CGS to provide access to financing for Kenyan MSMEs.



Introduction to the Credit Guarantee Scheme- Stakeholders

Sponsor



The National Treasury & Planning
The National Treasury

Banks



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Out of seven participating Banks



Borrowers



MSMEs definition as per the Public Finance Management Act:

Segmentation	Annual Turnover (KShs)	No. employees	Sector Specific Criteria Exclude –Real Estate
Micro Enterprises	0 to 500,000/=	<10	Registered capital of the enterprise does not exceed: Manufacturing sector- KShs.10 Million Service Sector & farming- KShs. 5 million
Small Enterprises	>500,000/= to 5,000,000/=	10-50	Registered capital of the enterprise does not exceed: Manufacturing sector- KShs.50 Million Service Sector & farming- KShs.20 million
Medium Enterprises	>5,000,000/= to 100,000,000/=	51- 250	Registered capital of the enterprise does not exceed: Manufacturing sector- KShs.250Million Service Sector & farming- KShs. 125 million

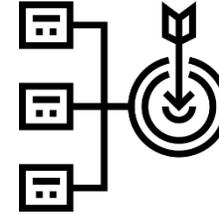
Product feature	Credit Guarantee Scheme
Product Concept	Aims to provide access to finance for MSMEs and protect jobs.
Target	MSMEs which are Registered Businesses i.e. Companies, Sole Proprietors/ Partnerships with a registered business name.
Loan Terms	<ul style="list-style-type: none">➤ Maximum amount- KShs 5 million➤ Loan period: maximum period of 3 years.
Pricing	Competitive (currently 13% per annum) + loan fees
Security	Property, Motor Vehicle, Machinery etc.



Documents Required

- National ID of sole proprietor, partner(s) or company directors.
- KRA PIN of sole proprietor, partner(s) or company directors.
- KRA PIN of the registered business or company.
- Valid business permit.
- Certificate of Incorporation or Certificate of Business Name.
- Latest Tax return or Tax Compliance Certificate or Tax waiver from KRA.
- Latest audited financial statements or management accounts.
- Not a part of a larger group whose turnover exceeds KShs 100 million.
- Operating for at least 2 years or for start ups to present a business proposal.

Requirements for the Credit Guarantee Scheme



Purpose of the Loan

- Working capital for the business.
- Purchase of goods for the business.
- Purchase of a motor vehicle for the business.
- Purchase of assets such as furniture, fittings etc for the business.
- Purchase of machinery or equipment for the business.
- Real estate development not covered by this Government Scheme.



"Youth" are individual(s) who have attained the age of 18 years but have not attained the age of 35 years.



Persons with Disabilities should present evidence of registration with the National Council for Persons with Disability.

Definition of Women, Youth & Person With Disability



"Women" are persons of the female gender.

An enterprise owned by "women, youth and/or persons living with disabilities" is an entity that has either of the special groups:

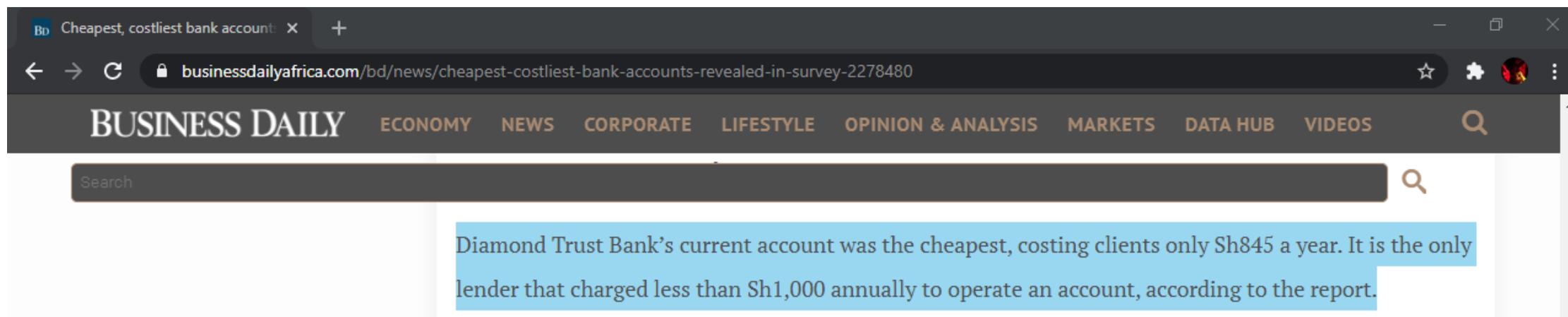
- i) owning at least 51% of the enterprise; or**
- ii) owning at least 20% of the enterprise and the woman, youth or person with disability owning it:**
 - is in a senior executive position or in a substantial decision-making role; or**
 - comprises 30% of the Board of the enterprise.**

a) What is acceptable security under the Scheme?

Property, Motor Vehicle or Machinery. However on a case by case basis, other securities may be reviewed.

b) Do I have to move all my accounts or banking to DTB to be eligible for the Scheme?

No, however the business account is preferred to be with DTB. DTB offers the cheapest current account in the industry. (Source: Business Daily- Cheapest, costliest bank accounts revealed in survey, 30 January 2020- <https://www.businessdailyafrica.com/bd/news/cheapest-costliest-bank-accounts-revealed-in-survey-2278480>)



c) Is there any grace period for the loan under this Scheme?

There is a grace period of up to 5 months of no payment, or payment of principal only, or payment of interest only. However requests for grace period have to be reviewed by the Bank on a case by case merit basis.

d) What is the maximum repayment period for a loan under this Scheme?

The maximum repayment period of a borrowing under this Scheme is 36 months from the disbursement date.

e) If I have a business operating for less than 2 years without audited accounts, am I eligible for a loan under this Scheme?

On a case by case basis, we may accept a viable business plan for startups or management accounts for businesses whose accounts may not have been audited at the time of the application process.

f) What other support services will DTB offer?

DTB offers a capacity building programme, targeting MSMEs, such as financial literacy training detailed on slide 6 of this presentation.

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***SUPPLY EXPRESS
– VALUE CHAIN
FINANCING***

INTRODUCTION

Efficiency

- A solution that helps you as a supplier/manufacturer/wholesaler /distributor gain more control over the gaps in your value chains, which are hindering you from achieving a smooth and seamless transition from acquiring supplies to selling and distribution.

Unlocking of Liquidity

- The program ensures that your organization or business can manage its working capital needs.

Early Payment Solution

- The program offers an Early Payment solution to suppliers, while buyers will have the luxury to fulfil their obligations as they fall due. The program allows suppliers to receive prompt payment, ensuring continuity in operations by satisfying cash flow requirements.

BENEFITS TO MANUFACTURER/DISTRIBUTOR /SUPPLIER

01

RISK MANAGEMENT



You decide who of your suppliers/Retailers is on-boarded on to the platform for early payment. You can assign limits to each party as well. Furthermore, you will have the ability to view and approve any invoices to be financed, as part of a real-time process which will also facilitate quick payments

02

IMPROVED LIQUIDITY



You will be able to provide early payment of your suppliers, meaning you are able to meet your short-term obligations as they fall due.

03

INCREASED SALES



Improved liquidity will allow you to increase your capacity, increasing your output, and revenue as a result. Meeting your obligations with your suppliers will foster good relations and generate good will from your partners. This creates a conducive business environment that will propel you towards success.



DTB INUA LOAN PRODUCT

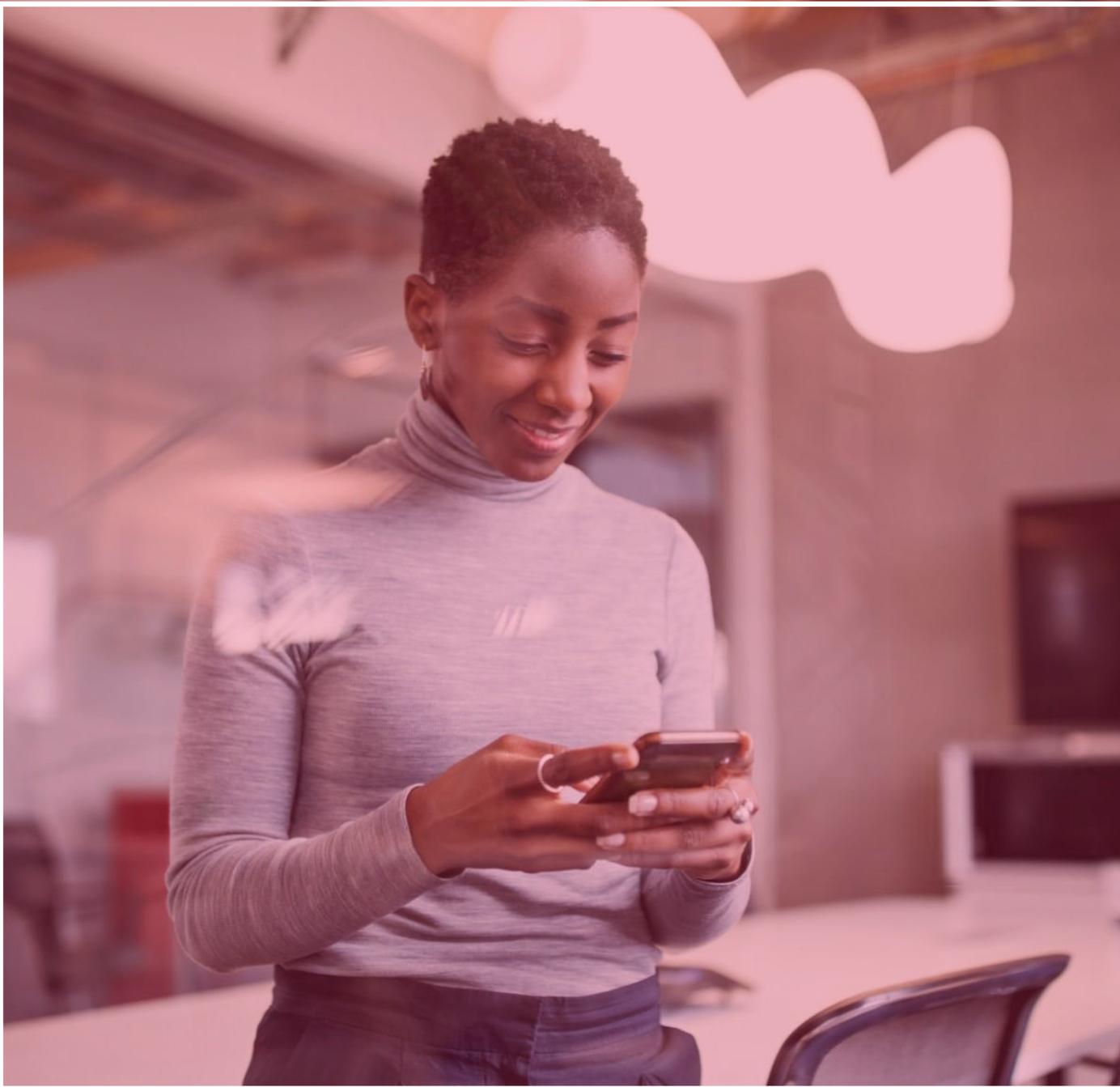
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DTB INUA LOAN - INTRODUCTION

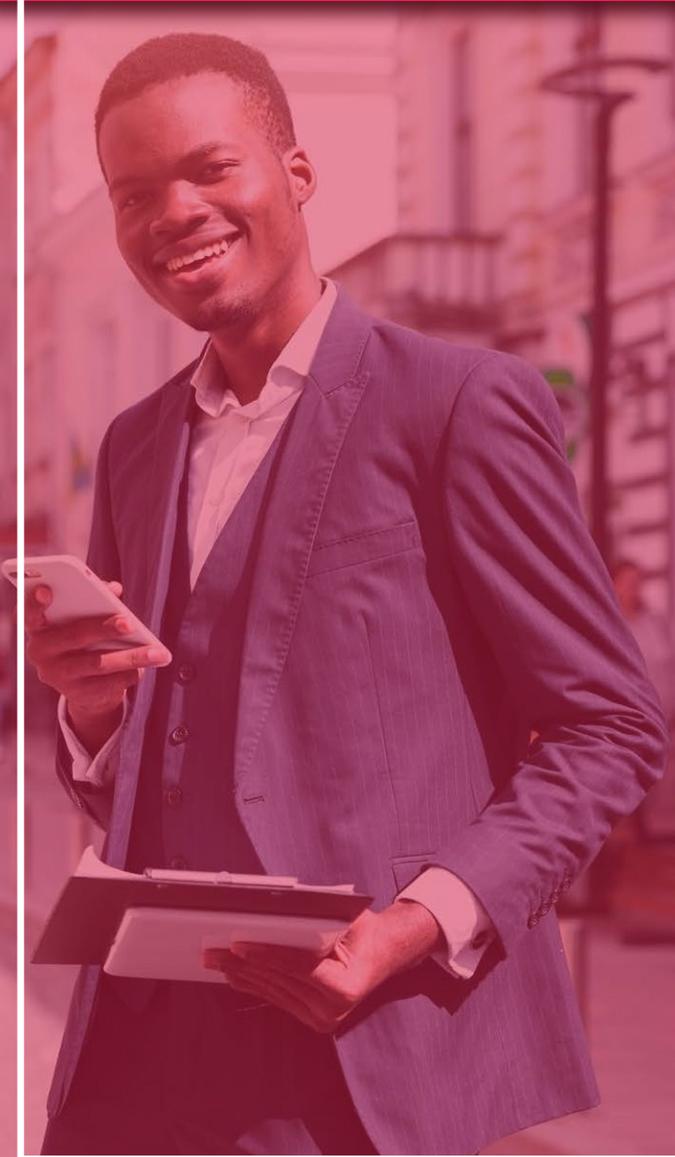
- The DTB Inua Loan is a small, short-term unsecured loan with both principal and interest scheduled to be repaid on a single date within 30 days.
- The target market for the product is the employees of Corporate Customers who bank with DTB.
- The DTB Inua Loan is a safe way to cater for financial emergencies for your staff.
- The employees do not need collateral and they can also access the cash within minutes in their DTB Salary Account.
- The employees can apply digitally without having to visit branches, fill in any paperwork or making countless calls to relationship managers.



BENEFITS

- The DTB Inua Loan product saves you from penalties incurred by late payment since it is payable within the next paycheck. This means you are only in debt for a few weeks of the month.
- The employees can get their loans approved all from the comfort of their homes or offices! With the DTB Inua Loan Product, the processes and interactions involved are all carried out online.
- Easy access since it will require no security as collateral. This implies quick loan processing turn around time and disbursement.

KEY FEATURES



Digital Loan Product
- No paper work required.



Automated Deduction from Employee's Account
- Saves the employer from constant follow-ups from the Bank on repayment of the loan.



Instant Disbursement into the DTB Salary Account
- No follow up required for disbursement of the loan amount.



Pre-approved Credit Limit
- The limit of the loan shall be 50% of the net salary.



Short Tenure
- Maximum of 30 days

HOW TO APPLY

stage 01

- Dial *531# on the registered mobile number that received the SMS to access service.

stage 02

- Select 1 to activate, enter your registered ID number.
- Select 1 to accept the terms and conditions and select 1 to opt-in for direct debit

stage 03

- Enter default PIN received via SMS.
 - Enter new PIN.
 - Confirm new PIN.
- Receive confirmation.

stage 04

- Dial *531#
- Enter new PIN created.
- Select 1 to request loan.
 - Enter Loan amount.
- Select 1 to continue and complete the process.

REQUIREMENTS



CORPORATE (EMPLOYER)
SHOULD BE AN EXISTING
CUSTOMER OF
THE BANK



EMPLOYEES TO HAVE
EXISTING OR OPEN NEW
ACCOUNTS WHERE THE
LOANS WILL BE CREDITED



CORPORATE (EMPLOYER) TO
CHANNEL THEIR SALARY
PAYMENTS VIA THE BANK

Who do I call for my application?



Mr. George Otiende
Head of Branches & Alternate Channels
Email: gotiende@dtbafrica.com
Phone: +254 722 575 119



Mrs. Shahzad Karim
Head of Corporate Banking
Email: skarim@dtbafrica.com
Phone: +254 722 513 884



Mr. Gopa Kumar
Head of Retail Banking
Email: gkumar@dtbafrica.com
Phone: +254 733 540 267



Dr. Kennedy Nyakomitta
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Q & A

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ENTREPRENEURSHIP

Join us for Module 2 on Entrepreneurship.

Date: Thursday 26th August 2021

Time: 10:00am – 12:00pm.

This module endeavours to deepen the participants understanding of entrepreneurship and its benefits.

Participants will learn the secrets of business continuity and the skills necessary to achieve success.

Registration link will be shared via e-mail.

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