



**Kilimo Banking**

STRONG FOUNDATION | FUTURE FOCUS

## BACKGROUND

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- ❑ Incorporated in 1974, I&M Bank is one of the leading tier 1 commercial banks in Kenya with footprint in Uganda, Tanzania, Rwanda and Mauritius.
- ❑ Until the year 2017, the bank had a sharp focus on large corporate clients traversing all sectors of the economy.
- ❑ Since the year 2017, there has been a great focus in offering innovative and cost effective financial solutions for the retail market aimed at achieving financial inclusion among the unbanked populace.
- ❑ Consequently, growth in branch network across different parts of the country was identified as a key driver to retail market penetration.
- ❑ Currently, the bank has a network of 38 branches spread across Kenya and there is an ambitious but practical strategy to open 100+ branches and a network of strong agency banking outlets by 2026.
- ❑ The bank takes pride in having strong digital banking platform which allows customers to transact conveniently and cost effectively locally, regionally and internationally.
- ❑ I&M Bank works with strategic partners in order to perform its mandate.

## Agribusiness Finance-cont...

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- Agriculture is key to Kenya's economy, contributing 33 per cent of the Gross Domestic Product (GDP) and another 27 per cent of GDP indirectly through linkages with other sectors.
- Research shows that 8.5 million people in Kenya engage in some form of agriculture, with 6.3 million of them primarily earning a living from the sector.
- The sector is dominated by smallholder production farms of between 0.2 and 3 hectares, which account for 78 percent of total agricultural production and 70 percent of commercial production (World Bank, 2015).
- The sector is therefore critical in creating employment and uplifting the living standards of the Kenyan people. It's against this background that GoK has identified Agriculture as one of the key sectors to deliver the 10 per cent annual economic growth rate envisaged in the economic pillar of the Kenya Vision 2030. This growth will be achieved through transforming small-scale agriculture from subsistence to innovative, commercially oriented and modern agriculture

## Agribusiness Finance-cont....

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- ❑ I&M Bank supports agriculture sector by offering innovating and cost effective financial solutions to SHF and agri-SMEs who are always “the missing middle” and subjects of market failures by most mainstream banks.
- ❑ Employs anchor/ecosystems approach to effectively address the identified market failures thus ensuring access to finance by SHFs
- ❑ The goal is to majorly focuses on structured value chains-formal and informal.
- ❑ Financial solutions target all actors in the agribusiness value chain-along and across.

## Structured formal and Informal value chain-examples

Formal Value Chains		Informal Value Chains	
1	Avocado Oil	1	Agrodealers (farm inputs supply)
2	Baby corn	2	Apples
3	Barley	3	Asian vegetables (cabbage, broccoli, celery, cauliflower)
4	Cashew	4	Avocado Fresh fruit
5	Cereal processing (millet, sorghum, wheat)	5	Banana wine
6	Cocoa	6	Bananas
7	Coffee	7	Capsicum
8	Cotton	8	Carrots
9	Cut Flowers	9	Cassava
10	Dried vegetables	10	Chili/ Peppers Fresh
11	French beans	11	Coconut
12	Honey	12	Common Beans (Dried Beans)
13	Juice processing	13	Cow peas
14	Kola Nuts	14	Cucumber
15	Livestock (Meat processing)	15	Dairy
16	Loose patra (Colocasia)	16	Extension and veterinary services
17	Macadamia	17	Fish farming and fishing
18	maize milling	18	Goat
19	Peppers (processed)	19	Green beans
20	Processed foods	20	Green grams
21	Processing Equipment	21	Green leafy vegetables
22	Purchase of irrigation equipment	22	Groundnuts
23	Purchase of transport utilities	23	Herbs (basil, coriander, mint, tarragon, chives)
24	Pyrethrum	24	Irish Potatoes
25	Rubber	25	Jack fruits
26	Sisal	26	Lentils
27	Snow peas	27	Livestock (cattle trade)
28	Spices (ginger, garlic, cloves, cardamon, cumin)	28	Fresh livestock meat
29	Spices (Vanilla)	29	Maize
30	Sugar	30	Mango
31	Sunflower oil	31	Millet
32	Tea	32	Mushroom

## Structured formal and informal value chains-examples....

33	Tractor Purchase	33	Onions
34	Wheat	34	Oranges (including lime and tangerine)
		35	Papaya
		36	Passion fruits
		37	Pig farming
		38	Pigeon peas
		39	Pineapple
		40	Poultry - Indigenous
		41	Poultry - layers
		42	Pumpkins
		43	Rice
		44	Rice milling
		45	Sesame
		46	Sheep
		47	Sorghum
		48	Straw berries
		49	Sweet Potatoes
		50	Timber (Smallholder agroforestry)
		51	Tomatoes
		52	Watermelon
		53	Yams

# Agribusiness Finance-Cont....

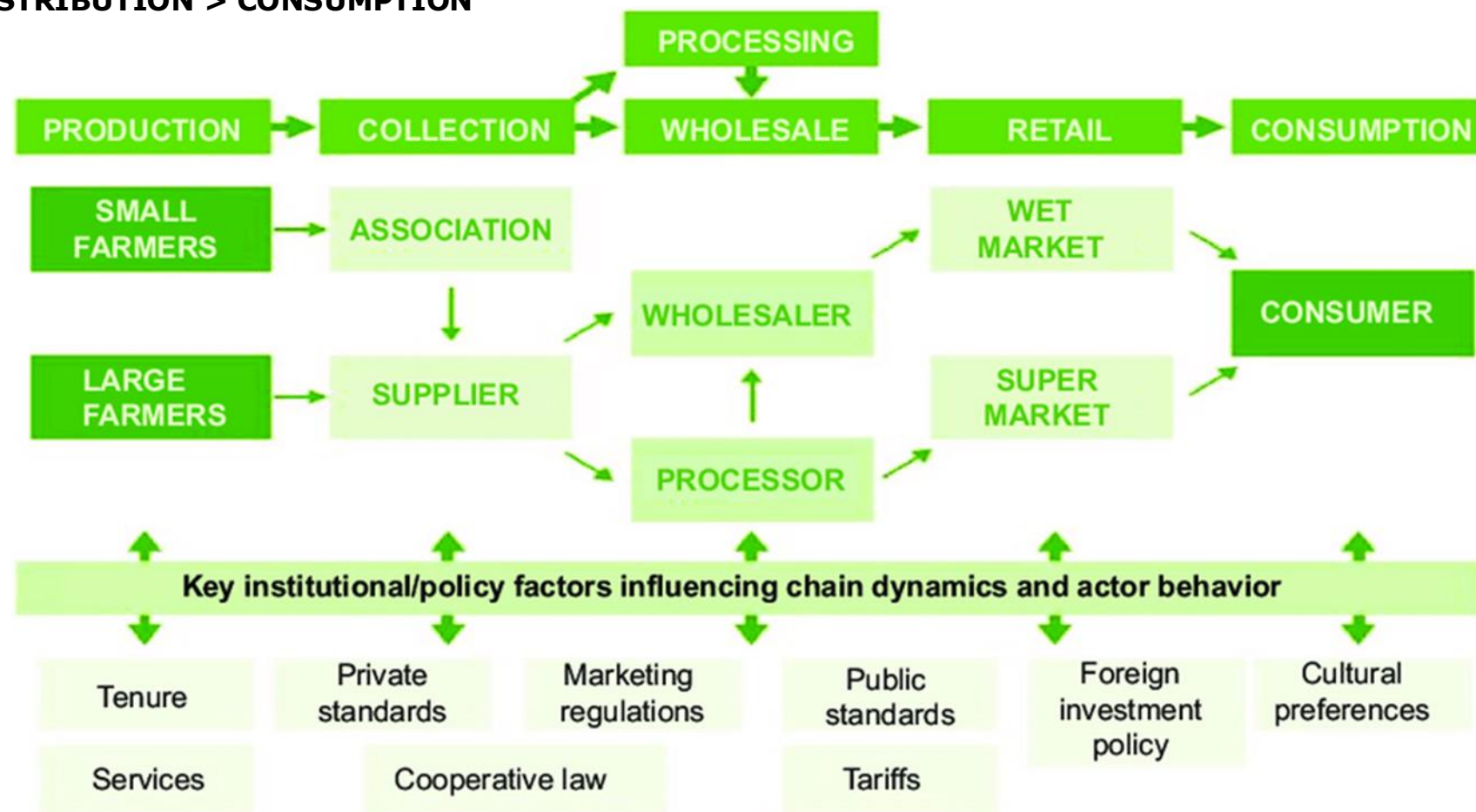
## Financing Opportunities

### Targeting all Actors in Agriculture value chains:

1. Large or Small Holder Farmers *in well organized ecosystems and contracted for Crop or Livestock.*
2. Agri MSMEs
3. Agri SMEs
4. Agri Corporates

Agriculture value chains are unique to crop type or livestock type but generally go through same cycle of: -

**INPUTS > PRODUCTION > POST-PRODUCTION, STORAGE, TRANSPORTATION > VALUE ADDITION > DISTRIBUTION > CONSUMPTION**



## The Agri finance Solutions:

Product Name	Target Customer	Purpose	Unique Features
Agri-Project Finance	Famers and all other agribusiness value chain actors	<ul style="list-style-type: none"> <li>To facilitate agribusiness infrastructure development-Cold storage, solar installation, expansion, feedlot systems, irrigation systems, purchase of agricultural land, construction of abattoirs etc</li> </ul>	<ul style="list-style-type: none"> <li>❑ Financing up to 80% of the BQs</li> <li>❑ Repayment up to 84 months</li> <li>❑ Concessionary interest rates</li> <li>❑ Available to I&amp;M Bank customers and NTB</li> <li>❑ All conventional securities accepted</li> <li>❑ 2% processing fee</li> <li>❑ Flexible repayments. Bullet and balloon repayments acceptable.</li> </ul>
Agri-Asset Finance	Farmers and all other agriculture value chain actors	<ul style="list-style-type: none"> <li>To facilitate acquisition farm machineries &amp; equipment such as tractors, trucks, pickups, combined harvesters to assist in agri production activities</li> </ul>	<ul style="list-style-type: none"> <li>❑ Financing up to 95% of the unit cost for new trucks</li> <li>❑ Flexible repayment tenor of up to 60 months</li> <li>❑ Concessionary fees and rates</li> <li>❑ Available to I&amp;M Bank customers and NTB</li> <li>❑ Self secured</li> <li>❑ 2% flat processing fee</li> </ul>
Agribusiness Short and Long term Loans	Famers and all other agribusiness value chain actors	<ul style="list-style-type: none"> <li>Revolving trade lines to finance short term working capital needs</li> <li>Long term loans to finance long term working capital needs</li> </ul>	<ul style="list-style-type: none"> <li>❑ Unlimited financing available</li> <li>❑ Concessionary rates</li> <li>❑ Available to I&amp;M Bank customers and NTB</li> <li>❑ All conventional securities accepted</li> <li>❑ 1.5% and 2.5% flat processing fee for STL and TL respectively</li> </ul>
Agri-Input Loans	Farmers only(Primary producers)	To assist anchor/offtaker contracted farmers to access inputs for agri production activities. Eg Seeds, agri chemicals, fertilizers etc	<ul style="list-style-type: none"> <li>❑ Unlimited financing available.Up to Kes 10Million Unsecured</li> <li>❑ All conventional securities accepted for secured loans</li> <li>❑ Concessionary rates</li> <li>❑ Up to 90% of the production</li> <li>❑ Available to I&amp;M Bank customers and NTB</li> </ul>
<b>Agri Pay Go</b>	<b>Small scale agri value chain actors</b>	<b>To facilitate transactions</b>	<ul style="list-style-type: none"> <li>❑ <b>No minimum balance</b></li> <li>❑ <b>No account maintenance fees</b></li> <li>❑ <b>Financing available</b></li> <li>❑ <b>Mastercard platinum debit card available at one off fee of</b></li> </ul>
Agri Premier Account	Medium size agri value chain actors	Operative account to facilitate transactions	<ul style="list-style-type: none"> <li>❑ Nil minimum balance</li> <li>❑ Free internal transfers</li> <li>❑ Free e statement</li> </ul>

## Why is I&M the best agri finance bank?

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- ❑ Strong digital banking platform-OTG mobile app offers convenient banking services to farmers and all agri value chain actors locally , regionally and internationally. The platform is occasioned by little downtimes.
- ❑ Affordability-products prices are competitive thus giving farmers an upper edge to scale up their agribusinesses. Our “Ni Sare Kabisa” campaign allows customers to transfer money from their I&M bank accounts to their mobile wallets at no cost.
- ❑ Customer centrist-dedicated relationship managers to offer top-notch customer services.
- ❑ Turnaround Time-customer requests are acted upon within the laid down SLAs.
- ❑ Tailor made solutions-products are customized to the specific customer needs. For instance, repayment frequency and tenor of agri loan products are matched with the crop/livestock production cycle/seasons thus allowing bullet payments



**Thank You**

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