

Central Bank of Kenya

2022 Survey Report on MSME Access to Bank Credit

May 2023



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ABBREVIATIONS

| | |
|------|--|
| CBK | Central Bank of Kenya |
| CRBs | Credit Reference Bureaus |
| GDP | Gross Domestic Product |
| MFB | Microfinance Banks |
| MRPs | Money Remittance Providers |
| MSEA | Micro and Small Enterprises Act (2012) |
| MSME | Micro, Small and Medium Enterprises |
| NPL | Non Performing Loan |

1. Background

Micro, Small and Medium Enterprises (MSMEs) play a vital role in enhancing economic prosperity and social well-being. They also serve as a channel for new ideas and innovations to penetrate the market, hence contributing towards economic diversity and productivity. To ensure their viability and sustained growth, access to affordable and convenient financing options is critical.

The last MSME Survey done by the Kenya National Bureau of Statistics in 2016, established that there were over 7.4 million MSMEs in Kenya, which employ over 14.4 million Kenyans across all sectors of the economy¹. These MSMEs contributed approximately 33.8 percent to national GDP in 2015² and continue to play an important role in enhancing economic prosperity and social well-being. Financing by, and of MSMEs, remain critical to their sustainability and their contribution to Kenyans' livelihoods and economy.

As part of its strategic initiatives, CBK has over the years explored both the demand and supply side factors that influence availability and access of formal financing for various market participants including MSMEs. This has been done through conducting various surveys including the *FinAccess*

Supply-Side Survey on Bank Financing of MSMEs ("The Survey"). The MSME survey is conducted every two years to determine the status of the banking sector funding to MSMEs.

As a follow up to the Survey conducted in 2020, CBK has conducted the 2022 *FinAccess Business Supply-Side Survey on Bank Financing of MSMEs*. The 2022 Survey provides the status of the banking sector funding to MSMEs in Kenya as of December 31, 2022. The report highlights findings on various indicators, including the definition of MSMEs, the amounts, pricing and tenors of credit disbursed, the primary credit products available to MSMEs and the sectoral distribution of MSME credit within the banking sector. Given that the last two years have been instrumental for economic recovery following the coronavirus (COVID-19) pandemic, the report will provide an overview of whether this recovery has translated to gains for the MSME sector.

2. MSME Definition

The MSME Survey of 2022, as was in 2020, adopted the definition of MSMEs provided under the Micro and Small Enterprises Act (2012) [MSEA Act 2012], and the Public Finance Management (Amendment) Act, (No. 2) of 2020.³ This was a shift from the 2017

¹<http://www.parliament.go.ke/sites/default/files/2022-11/The%20Annual%20Performance%20report%20for%20the%20MSMEs%20credit%20guarantee%20scheme.pdf>

²<https://www.knbs.or.ke/?wpdmpro=2016-msme-basic-report>

³ Micro enterprises refer to any firm that has an annual turnover that does not exceed Ksh.500,000 and employing (or rather engaging) 1-9 people. The total assets and financial investment or the registered capital of the enterprise does not exceed Ksh.10 million in the manufacturing sector and does not exceed Ksh.5 million in the service and farming sector.

Small enterprises are firms that post an annual turnover of between Ksh.500,000 and Ksh.5 million and have 10-49 employees. In the manufacturing sector, investment in plant and machinery should be between Ksh.10 million and Ksh.50 million and registered capital of the enterprise between Ksh.5 million and Ksh.25 million in the service and farming sector. Medium enterprises are firms whose annual turnover is between five million shillings and one hundred million shillings and employ between fifty one and two hundred and fifty employees; in the manufacturing sector, total assets and investment in plant and machinery or the registered capital of the enterprise does not exceed two hundred and fifty million shillings; in the service and agricultural sectors, investment in equipment or registered capital of the enterprise does not exceed one hundred and twenty-five million shillings.

Survey, which allowed respondent institutions to use their internal MSMEs classification criteria in completing the Survey.

Under the MSEA Act, MSMEs are classified by either their annual turnover, the number of employees engaged or by their total financial investment. The specific definitions for each category are as follows:

- **Micro enterprise** – any firm with an annual turnover not exceeding **Ksh.500,000** and employing (or rather engaging) **1-9 people**. The total assets and financial investment or the registered capital of the enterprise does not exceed **Ksh.10 million** in the manufacturing sector and does not exceed **Ksh.5 million** in the service and farming sector.
- **Small enterprises** – Any firm with an annual turnover of between **Ksh.500,000** and **Ksh.5 million** and engaging 10-49 employees. In the manufacturing sector, investment in plant and

machinery should be between **Ksh.10 million** and **Ksh.50 million** and registered capital of the enterprise between **Ksh.5 million** and **Ksh.25 million** in the service and farming sector.

- **Medium enterprises** – Any firm with an annual turnover of between Ksh.5 – 100 million and engaging between 51-250 employees; in the manufacturing sector, total assets and investment in plant and machinery or the registered capital of the enterprise does not exceed **Ksh.250 million**; in the service and agricultural sectors, investment in equipment or registered capital of the enterprise does not exceed **Ksh.125 million**.

Table 1 below presents the statutory definitions of MSMEs as used in the Survey.

| Table 1: Statutory Definition of MSMEs | | | | |
|---|-------------------|-------------------------|------------------|------------------------------------|
| Category | Sector | Annual Turnover (Ksh.) | No. of Employees | Assets/ Investment (Ksh.) |
| Micro | All | ≤ 500,000 | <10 | N/A |
| Small | All | 500,000<x<5,000,000 | 10<x<49 | N/A |
| Medium | Manufacturing | 5,000,000<x<100,000,000 | 50<x<250 | 125,000,000 |
| | Service / Farming | 5,000,000<x<100,000,000 | 50<x<250 | 250,000,000 |
| | Other | 5,000,000<x<100,000,000 | 50<x<250 | As determined by Cabinet Secretary |
| <i>Source: Micro and Small Enterprises Act (2012)</i> | | | | |

3. Survey Respondents

The Survey sought information from all licensed commercial banks, mortgage finance institutions and MFBs. Data on the state of MSME financing as at December 2022 was received from 37 commercial banks, 1 mortgage finance company and 14 MFBs.

4. Overview of Findings

- As at December 2022, the Kenyan banking sector's total net assets stood at Ksh.6.6 trillion, with gross loans and advances accounting for Ksh.3.6 trillion. Total customer deposits were Ksh.5.0 trillion⁴.
- There were 1.18 million active MSME loan accounts in the banking industry as at December 2022, with a total value of Ksh.783.3 billion. This was a 29 percent increase from 915,115 active loan accounts valued at Ksh.638.3 billion as at the last MSME lending survey in December 2020. Of this total, commercial banks, and mortgage finance companies, cumulatively, disbursed Ksh.750.3 billion (96 percent) while MFBs disbursed Ksh.32.98 billion (4 percent).
- The active MSME loan accounts as at December 2022 constituted a 29 percent increase from 915,115 active accounts existing as at December 2020. The cumulative value of the MSME loan portfolio as at December 2022 of Ksh.783.3 billion also increased by 23 percent from Ksh.638.3 billion reported in December 2020.
- The proportion of the MSME loan portfolio to the total banking sector loan book as at December 2022 stood at 21.3 percent compared to 20.9 percent as at the end of 2020.
- Lending to MSMEs generated Ksh.105.1 billion for the banking industry, representing 24.4 percent of the total income generated from lending by the banking industry. A significant increase compared with the overall revenue from MSME-lending in 2020 that stood at Ksh.70.8 billion (12.2 percent of the banking sector overall lending-related income).
- On average, MSME borrowers took 27 months to repay loan facilities as at December 2022, slightly lower than 2020 (30 months). Loans to micro enterprises had the shortest average repayment period at 16 months, with small and medium enterprise loans taking 30 and 35 months, respectively, to repay.
- The average rate of interest charged on facilities to MSMEs as at December 2022 was 15.5 percent and 27.0 percent for commercial banks and MFBs, respectively. The average of interest rates charged by the commercial banks and MFBs ranges between 12.6-13.9 and 20.0-22.0 percent, respectively. Average interest rates per institutional category were 13.9 percent for micro enterprises, 13.3 percent for small enterprises and 12.6 percent for medium-sized enterprises in commercial banks. MFBs charge interest of 21.0 percent, 22.0 percent and 20.0 percent for micro enterprises, small and medium-sized enterprises, respectively.

⁴2022 Bank Supervision Annual Report

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- MSMEs continued to be a significant source of funding for the banking industry, accounting for 14.9 percent and 59.5 percent of total customer deposits held in commercial banks and MFBs, respectively.
 - Banks have designed various credit products targeting MSMEs. More than 55 percent of all commercial banks offer products targeting all the three categories of MSMEs, i.e. micro, small and medium-sized enterprises. 21 percent of commercial banks offer products targeting only enterprises in the medium category, while 10 percent offer products targeting enterprises in the small and medium categories. 43 percent of MFBs offer products targeting all three MSME categories, while 14 percent offer products targeting only micro and small enterprises.
 - In commercial banks, the largest credit allocation as at December 2022 was to MSMEs in trade sector (45.2 percent), followed closely by real estate, and transport and communication sector at 19.4 percent and 11.3 percent, respectively. The agriculture, financial services sectors and mining had the lowest allocation at 2.4 percent, 2.4 percent, and 0.4 percent, respectively.
 - In MFBs, the largest proportion of the MSME loan portfolio was extended to trade sector (44.1 percent), followed distantly by real estate, and agriculture sectors with 14.2 percent, and 13.4 percent, respectively. The energy and mining sectors had the lowest allocation at 0.5 percent and 0.7 percent, respectively.
 - In the view of the respondents of the MSME survey, the COVID-19 crisis in 2020 had a significant impact on MSMEs' access to bank credit. The 2022 survey sought to monitor progress on economic recovery of MSMEs, following the pandemic. 61 percent of commercial banks rated the impact of the pandemic on MSMEs lending as moderate, while 34 percent rated it as high. Similarly, 64 percent of microfinance rated the impact on MSMEs lending as moderate, while 21 percent rated it as high.
 - A total of 6,572 MSME loan facilities in the banking industry valued at Ksh.122.5 billion were restructured in 2022 to enable borrowers to better manage their credit performance. These constituted 0.05 percent of total loan accounts and 3.37 percent of the total value of the gross loan portfolio as at December 2022. By comparison, in 2020, commercial banks and MFBs restructured a total of 17,381 loan facilities valued at Ksh.138.7 billion.
 - Of the 1.18 million MSMEs loan accounts in the banking industry as at December 2022, 216,951 accounts valued at Ksh.90.4 billion were classified as non-performing. This amounted to 18.3 percent of total MSME loan accounts and 11.5 percent of the total value of outstanding MSME loans. NPLs in MSMEs also made-up 17.5 percent of total banking industry NPLs as December 2022 which stood at approximately Ksh.515.7 billion. By comparison, the level of MSME NPLs in December 2020 was relatively higher at Ksh.98.7 billion or 14.6 percent of the overall MSME loan portfolio of 638.2 billion.
-

- In the 12 months to December 2022, a total of 18,105 MSME loans valued at Ksh.9.6 billion were written-off, with commercial banks and MFBs writing off Ksh.9.10 billion and Ksh.0.51 billion, respectively. The total accounts written off constituted 1.5 percent of total MSME loan accounts and 1.2 percent by value.

5. Banking Sector Structure

As at December 31, 2022, the Kenyan banking sector comprised of the Central Bank of Kenya (CBK), as the regulatory authority, 38 Commercial Banks, 1 Mortgage Finance Company, 1 Mortgage Refinance

Company, 10 Representative Offices of foreign banks, 14 Microfinance Banks (MFBs), 3 Credit Reference Bureaus (CRBs), 19 Money Remittance Providers (MRPs), 8 non-operating bank holding companies, 10 Digital Credit Providers (DCPs) and 72 foreign exchange (forex) bureaus.

As at December 31, 2022, total net assets in the Kenyan banking sector stood at Ksh.6.6 trillion, while total deposits stood at Ksh.5.0 trillion. On the other hand, total loan accounts stood at 14.4 million while the total number of deposit accounts (in both commercial and MFBs) stood at 69.1 million. **Table 2** below gives a summary of the banking sector's asset and deposit base as at December 31, 2022.

Table 2: Banking Sector Asset Base as at December 2022

| Total Net Assets | Gross Loans and Advances | Total Deposits | Total No. of Loan Accounts | Total No. of Deposit Accounts |
|------------------|--------------------------|----------------|----------------------------|-------------------------------|
| Ksh. Trillion | Ksh. Trillion | Ksh. Trillion | Million | Million |
| 6.6 | 3.6 | 5.0 | 14.4 | 69.1 |

Source: Central Bank of Kenya

6. MSME Loan Portfolio Performance as at December 2022

6.1 Size and Distribution

As at December 2022, there were 1.18 million active MSME loan accounts in the banking sector valued at Ksh.783.3 billion. This was a 29 percent increase from 915,115 active loan accounts valued at Ksh.638.3 billion as at the last MSME lending survey in December 2020. Over the two-year period between 2020 and 2022, the number of MSME loan accounts and loan values increased at an annual

average of 14.6 and 11.4 percent, respectively. The proportion of MSME loan accounts to the overall banking sector loan accounts remained constant at 8.0 percent from 2020 to 2022.

Commercial banks and mortgage finance institutions held 68 percent of the total loan accounts in the banking sector as at December 2022, while MFBs held the remaining 32 percent. This was a slight increase for commercial banks from 67 percent and a slight decrease for MFBs from 33 percent as at December 2020.

Collectively, 86 percent of total loan accounts were held by micro enterprises, 9 percent by small enterprises and 5 percent by medium enterprises as depicted in **Figure 1(a)** below.

Of the 68 percent held in commercial banks, 56 percent were loans to micro-enterprises, 7 percent to small enterprises and 5 percent to medium enterprises. Of the 32 percent held in MFBs, 29.4 percent were loans to micro-enterprises and 2.5 percent to small enterprises. Loans to medium-sized enterprises constituted approximately 0.2 percent of the loan portfolio in MFBs.

The proportion of the MSME loans by value to the total banking sector loan portfolio as at December 2022 stood at 21.3 percent, an increase from 20.9 percent in December 2020.

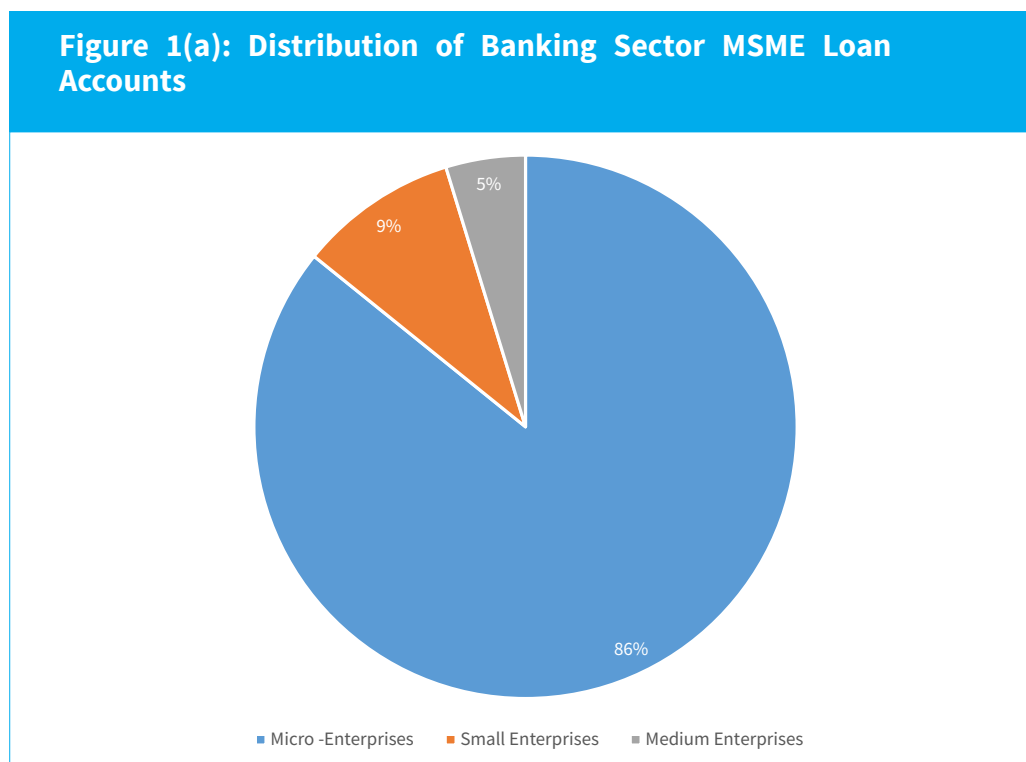
The value of MSME loans by commercial banks and mortgage finance companies as at December

2022 amounted to Ksh.750.3 billion or 96 percent of the total MSME loan portfolio while loans held by MFBs stood at approximately Ksh.32.98 billion or 4 percent.

Of the Ksh.750.3 billion held in commercial banks, medium-sized enterprises held the highest portion at Ksh.440.1 billion, small enterprises held approximately Ksh.234.9 billion while micro-enterprises held the least amount at Ksh.75.3 billion as highlighted in **Figure 1(b)** below.

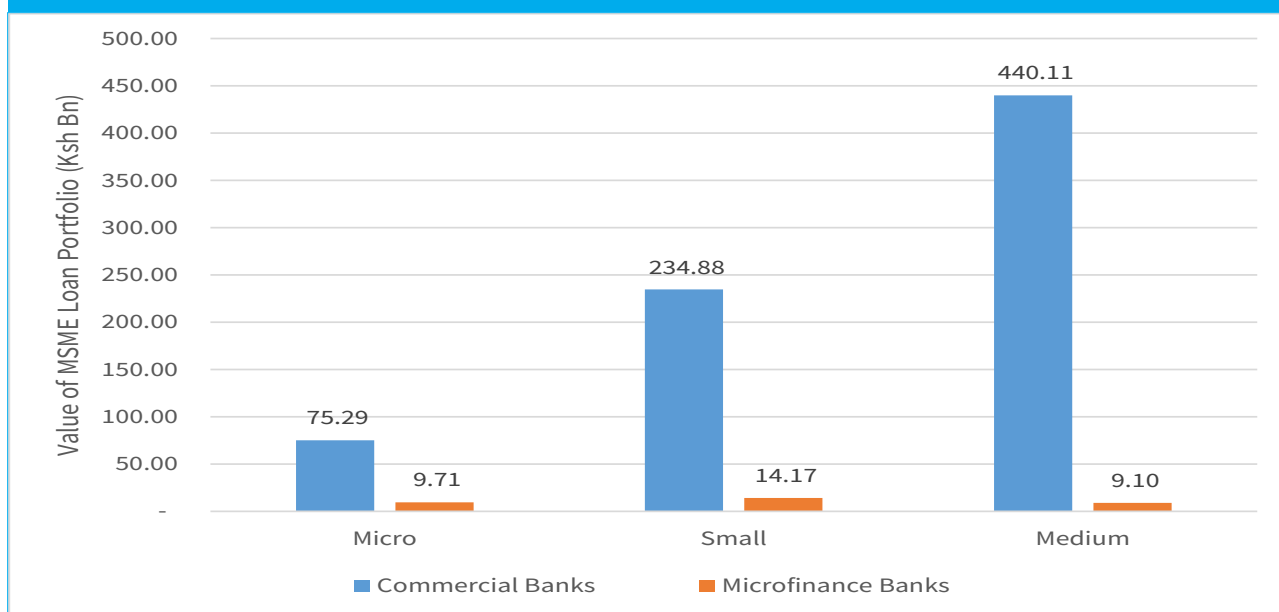
Of the Ksh.32.98 billion lent by MFBs, small enterprises held the highest amount at Ksh.14.1 billion, medium-sized enterprises held Ksh.9.7 billion while micro-enterprises held Ksh.9.1 billion, also highlighted in **Figure 1(b)** below. The above distribution is presented graphically in **Figures 1(a)** and **(b)** below.

Figure 1(a): Distribution of Banking Sector MSME Loan Accounts



Source: MSME Survey Data, 2022

Figure 1 (b): Distribution of MSME Loan Portfolio by Value as at December 2022



Source: MSME Survey Data, 2022

6.2 Average Loan Size

Overall, the average loans size across all categories as at December 2022 stood at approximately Ksh.662,169 compared to Ksh.697,500 in the 2020 survey. Average loan sizes for specific enterprise categories were as follows:

- Loans from commercial banks as at December 2022 averaged Ksh.112,849, Ksh.2.8 million and Ksh.8.2 million for micro, small and medium enterprises respectively. This compares to Ksh.86,000 (micro), Ksh.2.9 million (small) and Ksh.7.7 million (medium) in 2020.
- Average loans from MFBs in 2022 stood at Ksh.27,928, Ksh.483,061, and Ksh.4 million for micro-, small, and medium enterprises, respectively. This compares to Ksh.23,000 (micro), Ksh.400,000 (small) and Ksh.4.5 million (medium) in 2020.

The decrease in average loan size is largely attributable to a differential decrease in loan size by MFBs to medium-sized enterprises. This may be attributed to the subdued business environment following the outbreak of the coronavirus (COVID-19) pandemic. Further, it may indicate suppressed lending to the medium-sized enterprises by MFBs. The decrease in average loan size is also attributable to the differential increase in number of loans to 1.18 million, an increase of 29 percent compared with the 22 percent increase in value of loans.

Table 3 below presents the comparative average loan sizes (in Ksh. million) for commercial banks and MFBs for the years 2020 and 2022.

COVID-19 pandemic. This resulted in reduced new borrowing and suppressed growth in lending, thereby bringing down the overall average loan sizes.

Table 3 below presents the comparative average loan sizes (in Ksh. million) for commercial banks and microfinance banks for the years 2017 and 2020.

| Table 3: Average MSME Loan Sizes 2020 - 2022 | | | | | | |
|--|------------------|---------|---------|---------|---------|---------|
| Category | Commercial Banks | | MFBS | | Overall | |
| | 2022 | 2020 | 2022 | 2020 | 2022 | 2020 |
| | (Ksh M) | (Ksh M) | (Ksh M) | (Ksh M) | (Ksh M) | (Ksh M) |
| Micro | 0.11 | 0.086 | 0.03 | 0.02 | 0.08 | 0.06 |
| Small | 2.9 | 2.9 | 0.5 | 0.4 | 2.2 | 2.1 |
| Medium | 8.2 | 7.7 | 4.0 | 4.5 | 8.0 | 7.5 |
| Overall | 0.93 | 1.0 | 0.1 | 0.1 | 0.7 | 0.7 |

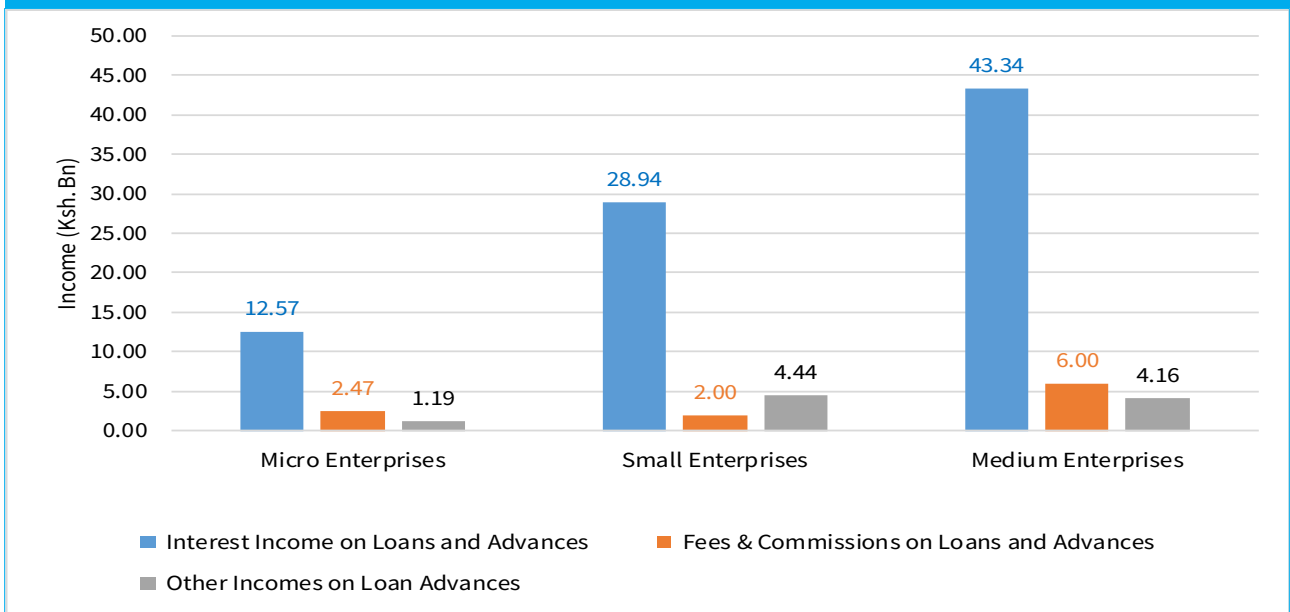
Source: MSME Survey Data, 2020 and 2022

6.3 Income Generated from the MSME Portfolio

The banking sector generated approximately Ksh.105.1 billion in revenue in the 12 months to December 2022 from the MSME loan portfolio. This represented 24.4 percent of the banking sector's overall lending-related income for the year. Of this total revenue:

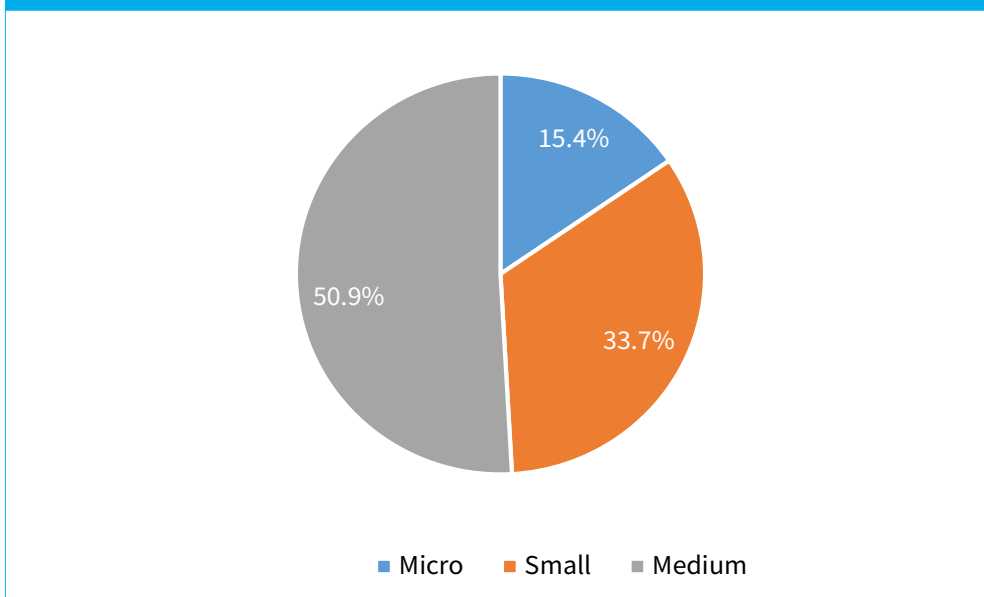
- Ksh.53.5 billion (50.9 percent) was generated from loans to medium enterprises. This comprised Ksh.43.3 billion in interest income, Ksh.6.0 billion in fees and commissions and Ksh.4.2 billion in other income.
- Ksh.35.4 billion (33.7 percent) was from loans to small enterprises. This comprised Ksh.28.9 billion in interest income, Ksh.2.0 billion in fees and commissions and Ksh.4.4 billion in other income.
- Ksh.16.2 billion (15.4 percent) was from loans to micro enterprises. This comprised Ksh.12.6 billion in interest income, Ksh.2.5 billion in fees and commissions and Ksh.1.2 billion in other income.
- The overall revenue from MSME-lending in 2022 increased from the 2020 revenue of Ksh.70.8 billion. Overall income also increased as a proportion of the banking sector's overall lending-related income from 12.2 percent in 2020 to 24.4 percent in 2022. The increase is largely attributable to the rise in demand for MSMEs loans as a result of the economic recovery in 2022 arising from the COVID-19 pandemic. **Figures 2** and **3** below illustrate the above income distribution. The revenue was composed of interest income (80.7 percent), fees and commissions (10.0 percent) and other income (9.3 percent).

Figure 2: Income Generated on the MSME Loan Portfolio as at December 2022



Source: MSME Survey Data, 2022

Figure 3. MSME Income Distribution Across Enterprise Category in 2022

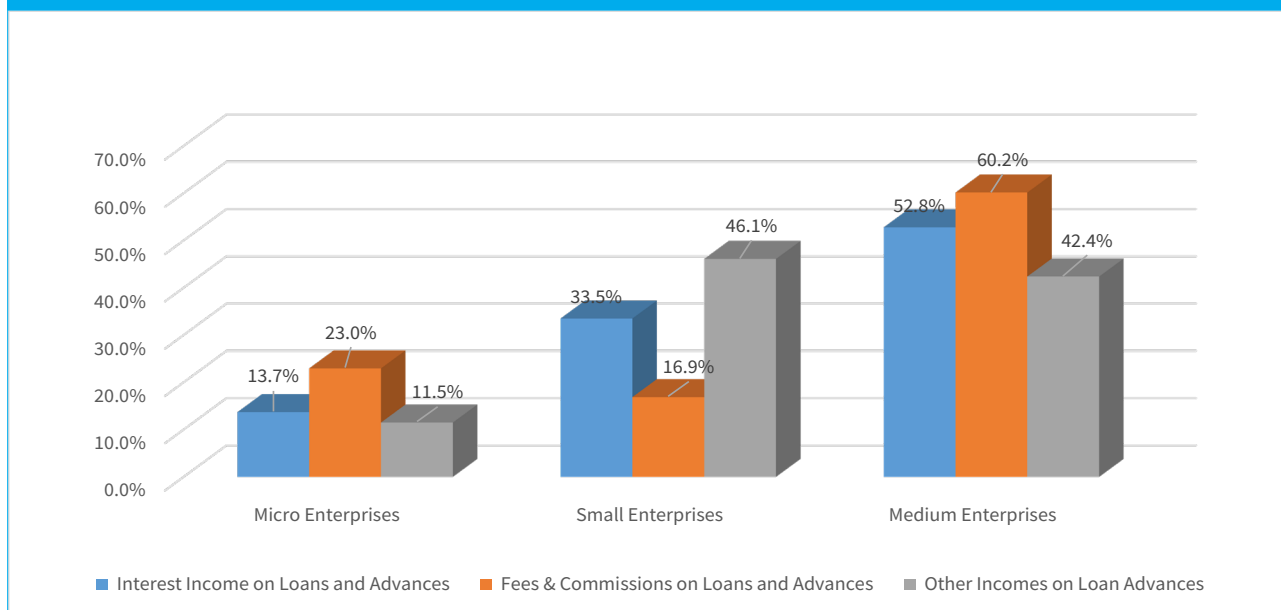


Source: MSME Survey Data, 2022

For commercial banks, the revenue contribution from micro enterprises in 2022 stood at 14.4 percent of overall revenue while small and medium-sized enterprises contributed 33.1 percent and 52.5 percent, respectively. Loan interest formed the bulk of income from MSMEs at 80.7 percent of total income, with fees and other income contributing 9.9

percent and 9.4 percent, respectively. 52.8 percent of interest income was derived from medium-sized enterprises, 33.5 percent from small enterprises and 13.7 percent from microenterprises. A similar distribution pattern was also observed for fees and other interest income (see **Figure 4**).

Figure 4: Commercial Bank's Income generated from MSMEs Lending in 2022

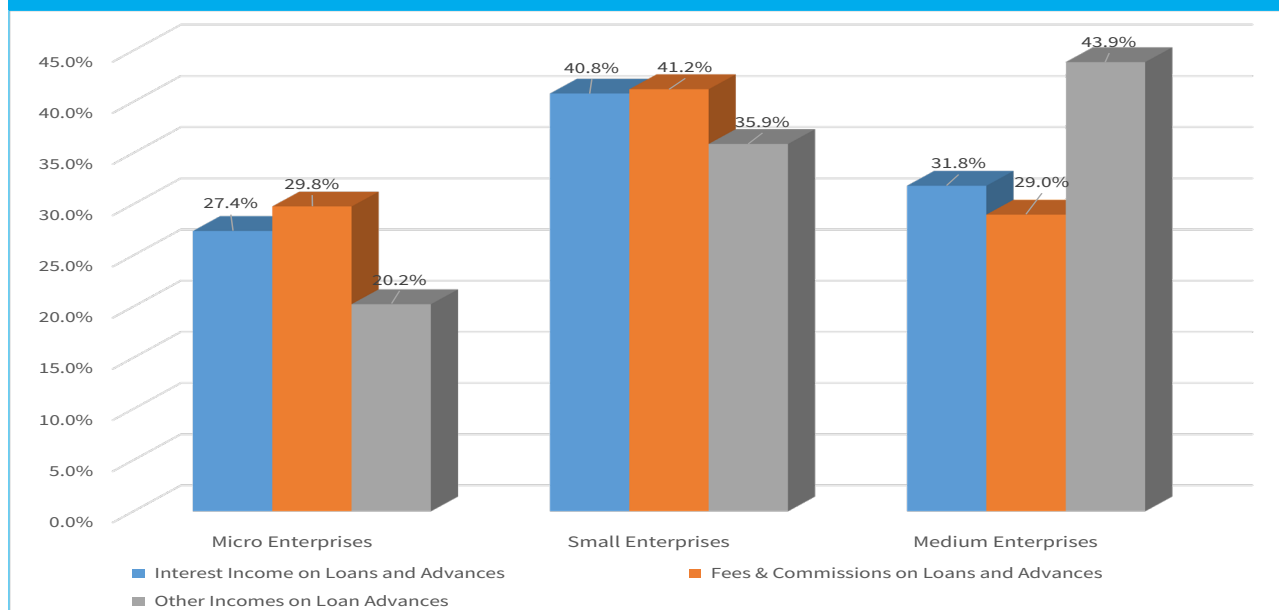


Source: MSME Survey Data, 2022

In MFBS, income from MSME lending in 2022 was composed of 81 percent in interest income, 11 percent in fees and commissions, and 8 percent in other income. Interest income was derived from small enterprises (40.8 percent), medium-sized enterprises (31.8 percent), and micro enterprises (27.4 percent). Fees and commissions were derived

from medium-sized enterprises (29.0 percent), small enterprises (41.2 percent) and microenterprises (29.8 percent). Other income was derived from medium enterprises (43.9 percent), small enterprises (35.9 percent) and micro enterprises (20.2 percent). The income structure for MFBS is presented in **Figure 5** below.

Figure 5: Microfinance Banks - MSMEs Income Distribution across Enterprise Categories



Source: MSME Survey Data, 2022

6.4 Loan Tenors

The average loan tenor for MSMEs across both commercial banks and MFBs stood at 27 months as at December 2022. In commercial banks, the tenor ranged from 19 months (for micro enterprises) to 40 months (for medium enterprises). In MFBs, the tenor ranged from 12 months for micro enterprises to 30 months for medium enterprises. This differed from the average loan tenure for MSMEs in 2020 which ranged from 18 to 40 months within commercial banks, and from 18 to 42 months within MFBs.

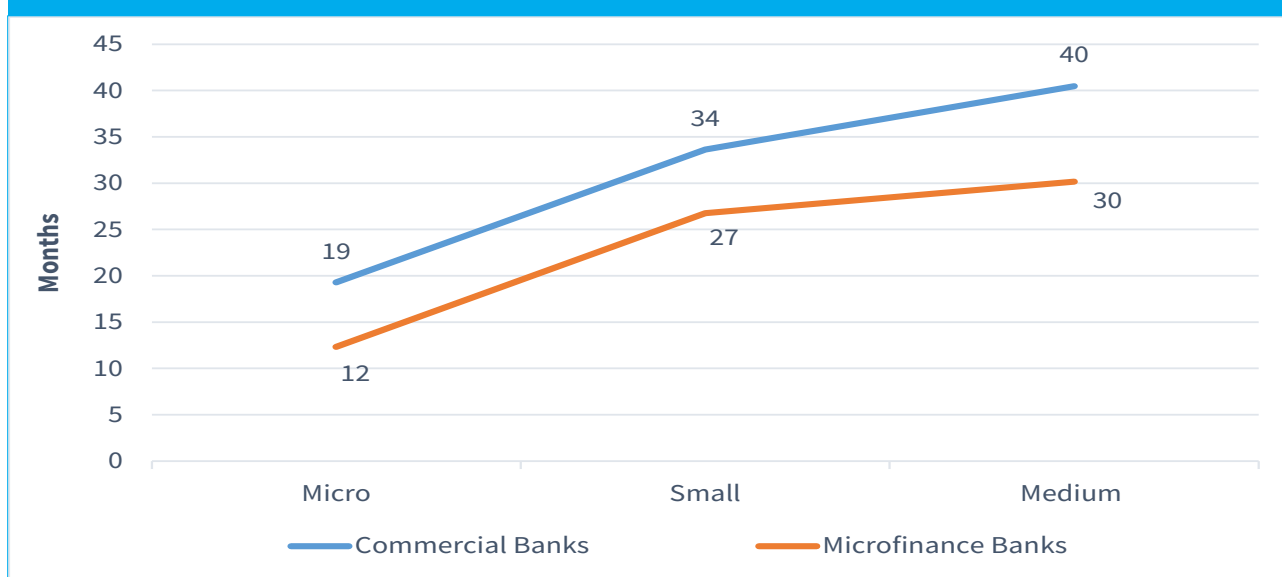
The repayment of loans by small and medium enterprises took on average 30 and 35 months respectively (**Table 4** and **Figure 6** below). The relatively shorter tenor of loans to micro enterprises as compared to small and medium enterprises is partially attributable to the lower amounts extended to micro enterprises as compared to the other two categories.

Table 4: Average Loan Tenors for MSMEs Loans as at December 2022 (Months)

| Category | Micro | Small | Medium | Average |
|------------------|-------|-------|--------|---------|
| Commercial Banks | 19 | 34 | 40 | 31 |
| MFBs | 12 | 27 | 30 | 23 |
| Average | 16 | 30 | 35 | 27 |

Source: MSME Survey Data, 2022

Figure 6: MSME Average Loan tenor as at December 2022



Source: MSME Survey Data, 2022

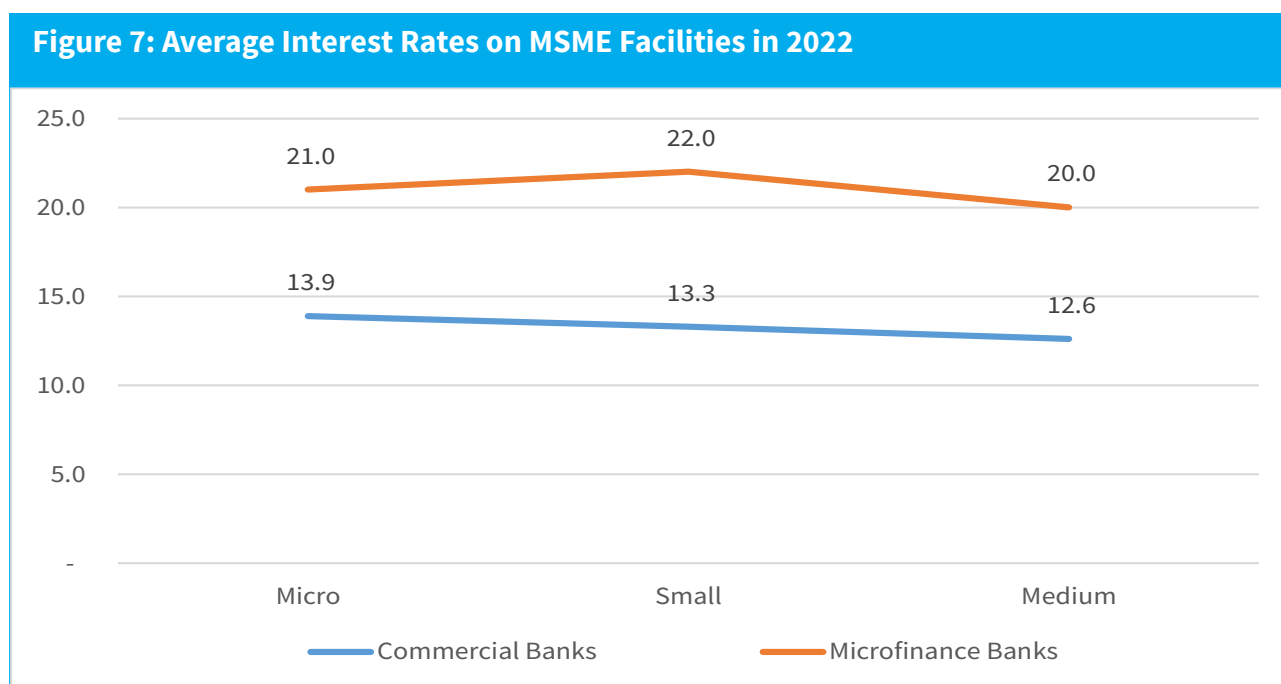
6.5 Interest Rates on MSME Loans

The average rate of interest charged on facilities to MSMEs as at December 2022 was 15.5 percent and 27.0 percent for commercial banks and MFBs respectively. While the average range was from 22 percent for the highest-priced and 12.6 percent for the lowest priced facilities. Within specific categories, interest rates were as follows:

- Commercial banks charged between 12.6 and 13.9 percent on average, which are slightly higher compared to 2020 where it ranged from 11.2 percent to 12.3 percent. Micro enterprises paid the highest rates at 15.8 percent while medium enterprises paid the lowest at 10.2 percent.

- MFBs charged between 20 percent and 21 percent on average on MSME loans, compared to 2020 where it ranged from 12.3 percent to 22 percent. The highest reported rate was charged on micro enterprises at 32 percent and the lowest at 10 percent.
- In general, the average range between the highest and lowest priced facilities stood at 13 percent.

Figure 7 below charts the average interest rates charged on loans to each of the three MSME categories in year 2022 by both commercial and MFBs.



Source: MSME Survey Data, 2022

6.6 Product Analysis

With a view to better serving the needs of MSMEs, banks have designed various products tailored to address the sector's specific needs. More than 55 percent of all commercial banks offer products targeting all the three categories of MSMEs, i.e. micro, small and medium-sized enterprises. 21 percent of commercial banks offer products targeting only enterprises in the medium category, while 10 percent offer products targeting enterprises in the small and medium categories. 43 percent of MFBS offer products targeting all three MSME categories, while 14 percent offer products targeting only micro and small enterprises.

Within commercial banks and MFBS, the typical term loans and bank overdrafts accounted for over 90 percent of the MSME loan portfolio as at December 2022. Other MSMEs products such as contract financing, performance bonds, bid bonds, invoice discounting, bank guarantees, letters of credit and warehouse receipts are also used but to a much lower extent, collectively accounting for the remaining 10 percent.

6.7 MSME Deposits

As at December 2022, there were a total of 5.41 million MSME deposit accounts held by financial

institutions, representing 8.1 percent of the 67.09 million deposit accounts within the banking sector. Commercial banks and mortgage finance companies held 75.6 percent of the MSME deposit accounts, while MFBS held the remaining 24.4 percent.

Deposits held by MSMEs as at December 2022 amounted to Ksh.746.6 billion or 14.9 percent of the total deposit liabilities (Ksh.4.99 trillion) in commercial banks. MSME deposits in MFBS amounted to Ksh.27.64 billion or 59.5 percent of overall deposits (Ksh.46.5 billion) held by MFBS as highlighted in **Table 5(a), (b)** below.

Previously as at December 2020, MSME deposits accounted for 14 percent of total deposit liabilities for commercial banks and 52.2 percent of deposit liabilities in MFBS. The decline in the proportion of MSME deposits to overall deposits may be attributed to a proportionately larger increase in non-MSME deposits than in MSME deposits over the three-year period **Tables 5 (a), (b)** below present the value of deposits held in both commercial banks and MFBS in December 2022 and December 2020 as a proportion of overall banking sector deposits.

| Year ending Dec | MSME Deposits | Total Customer Deposits (Ksh Billion) | MSME Deposits/Total Customer Deposits (%) |
|-----------------|---------------|--|--|
| 2022 | 746.6 | 4,999 | 14.9 |
| 2020 | 577.6 | 4,011 | 14.4 |

Source: MSME Survey Data, 2022 and 2022 BSD Annual Report

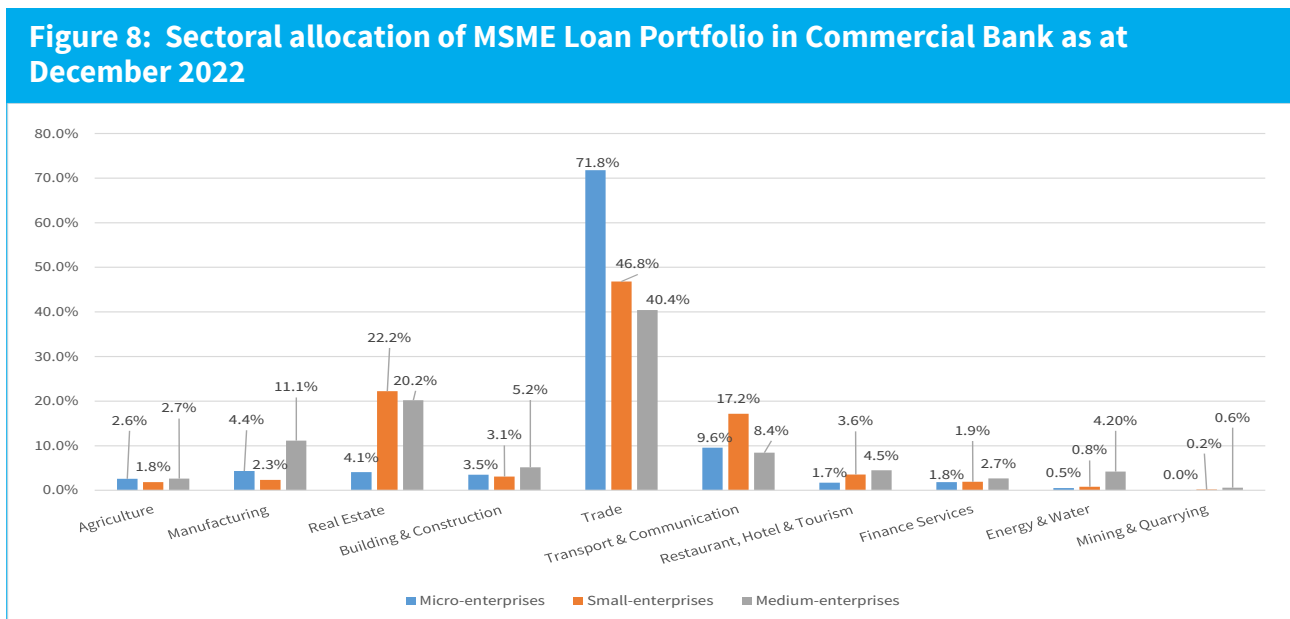
| Year ending Dec | MSME Deposits | Total Customer Deposits (Ksh Billion) | MSME Deposits/Total Customer Deposits (%) |
|-----------------|---------------|--|--|
| 2022 | 27.6 | 46.5 | 59.5 |
| 2020 | 25.7 | 49.3 | 52.1 |

Source: MSME Survey Data, 2022 and 2022 BSD Annual Report

The above data indicates the significant role played by deposits from MSMEs as a source of funding for the banking sector, particularly for MFBs in which MSME deposits account for more than half the total customer deposits. On the other hand, the loan-to-deposit ratio is slightly higher than one, implying that the financial institutions are also seeking external funding to finance their MSME loan portfolios, rather than relying entirely on its own deposits.

7. Sectoral Allocation of MSME Loans

As at December 2022, the largest proportion of MSME loans from commercial banks was extended to the trade sector (45.2 percent), followed closely by real estate, and transport and communication sector at 19.4 percent and 11.3 percent, respectively. The agriculture, financial services sectors and mining had the lowest allocation at 2.4 percent, 2.4 percent, and 0.4 percent, respectively. The sectoral allocation of MSME loan portfolio in commercial banks is illustrated in **Figure 8** below.

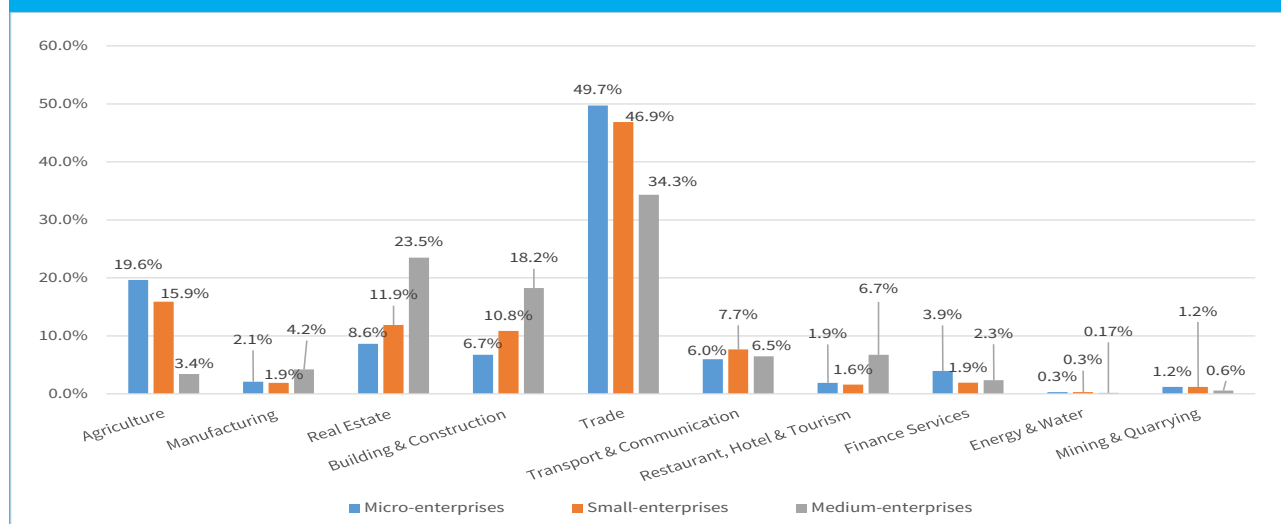


Source: MSME Survey Data, 2022

In MFBs, the largest proportion of the MSME loan portfolio was extended to the trade sector (44.1 percent), followed distantly by real estate, and agriculture sectors with 14.2 percent, and 13.4 percent, respectively. The energy and mining

sectors had the lowest allocation at 0.5 percent and 0.7 percent, respectively. The sectoral allocation of MSME loan portfolio in MFBs is illustrated in **Figure 9** below.

Figure 9: Sectoral allocation of MSME Loan Portfolio in Microfinance Bank as at December 2022 (in percentage)



Source: MSME Survey Data, 2022

8. Demand for Credit in the MSME Sector

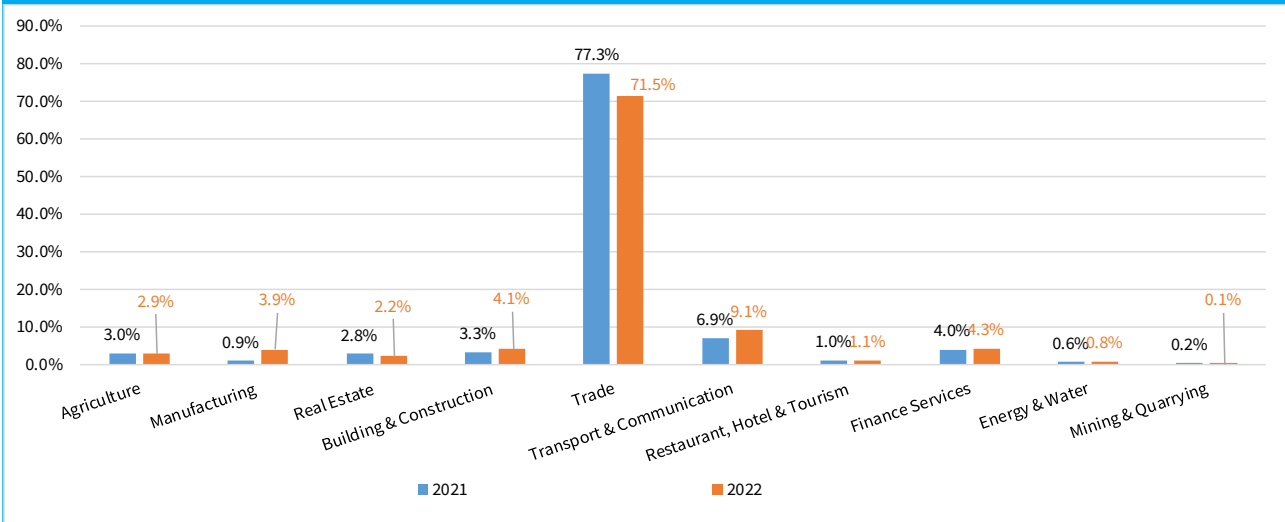
Within 2021 and 2022, commercial banks and MFBs received loan applications from MSMEs worth approximately Ksh.1.0 trillion, of which Ksh.829.8 billion (83 percent) was approved. This represented an increase of 35.8 percent from the 2020 survey, where they received loan applications from MSMEs worth approximately Ksh.740 billion, of which Ksh.546 billion (74 percent) was approved.

Commercial banks received credit applications worth Ksh.956.8 billion in both 2021 and 2022, of which Ksh.786.3 billion (82 percent) were approved. In the micro enterprise category, the trade, transport and communication, finance services

sectors received the most credit from commercial banks while the hospitality, energy and water, mining and quarrying sectors received the least. In the small enterprise category, the trade, real estate and transport sectors were the largest beneficiaries while the hospitality, energy and water, mining and quarrying sectors received the lowest proportion of credit.

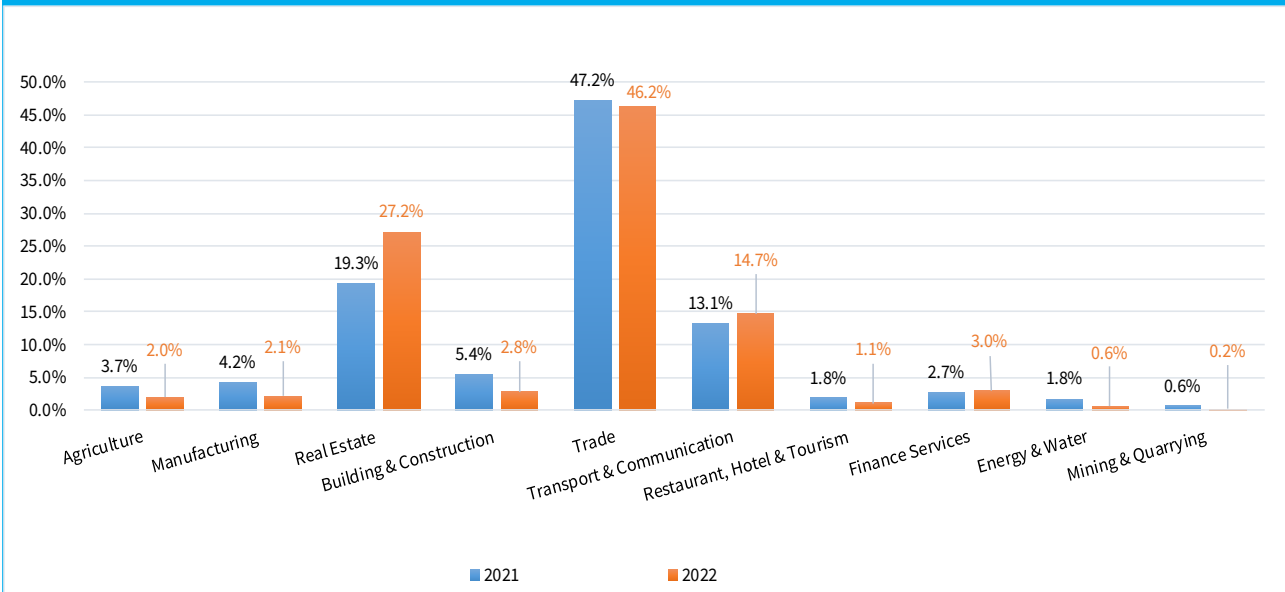
In the medium enterprise category, trade, real estate, and manufacturing sectors received the highest amount of credit from commercial banks while the hospitality, agriculture and mining sectors had the lowest approvals. **Figures 10 (a), (b) and (c)** present the sectoral distribution of loan approvals by commercial banks in 2021 and 2022.

Figure 10(a): Credit to Micro-enterprises to Total MSME Loan Portfolio in 2021-22 – Commercial Banks (in percentage)



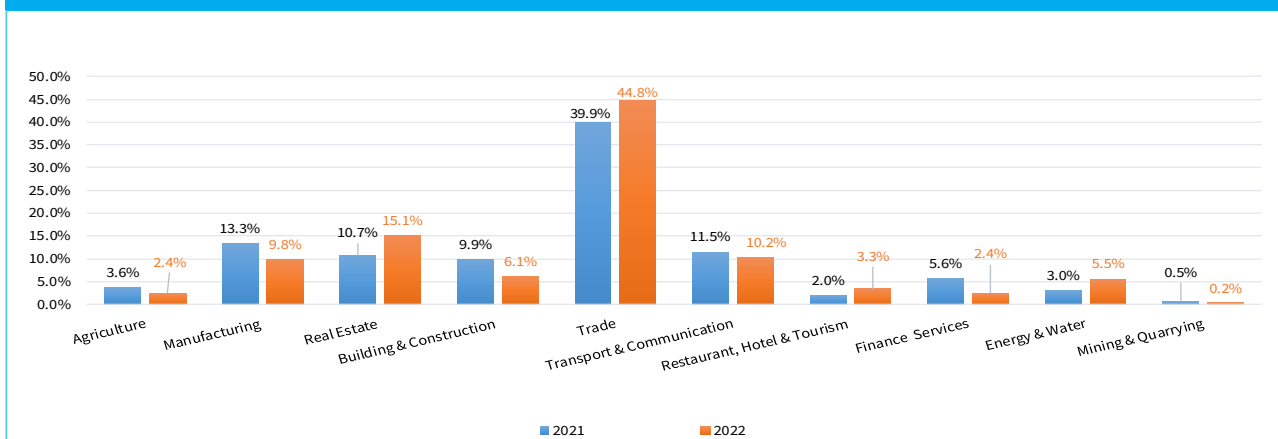
Source: MSME Survey Data, 2022

Figure 10(b): Credit to Small Enterprises to Total MSME Loan Portfolio in 2021-22 – Commercial Banks (in percentage)



Source: MSME Survey Data, 2022

Figure 10(c): Credit to Medium Enterprises to Total MSME Loan Portfolio (%) in 2021-22 – Banks



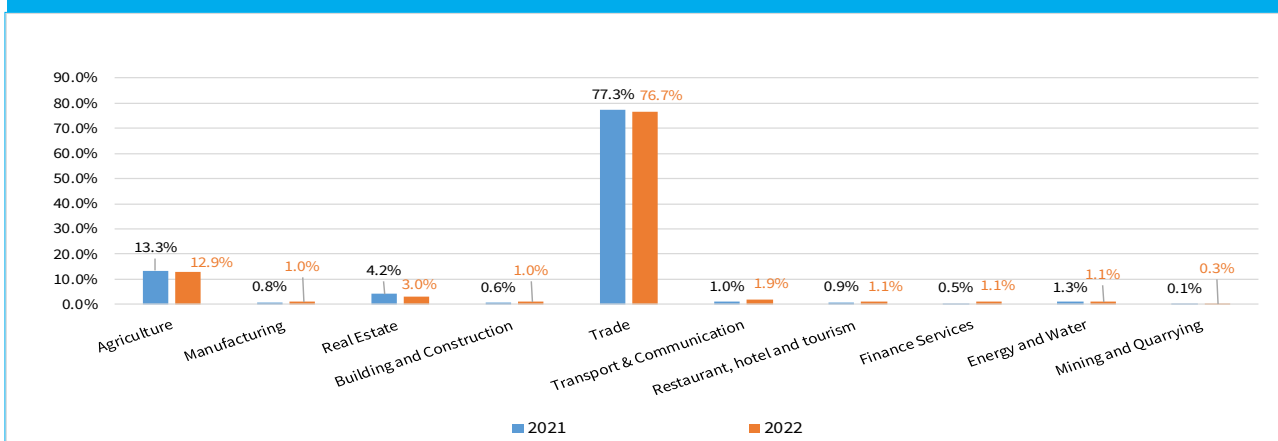
Source: MSME Survey Data, 2022

MFBs received credit applications worth Ksh.47.8 billion in both 2021 and 2022, of which Ksh.43.5 billion (91.1 percent) were approved. In the micro enterprise category, the trade, and agriculture sectors received the most credit from MFBs while the building and construction, finance, hospitality, mining and quarrying sectors received the least. In the small enterprise category, the trade, and agriculture sectors were the largest beneficiaries while the mining and quarrying, finance and energy

and water sectors received the lowest proportion of credit.

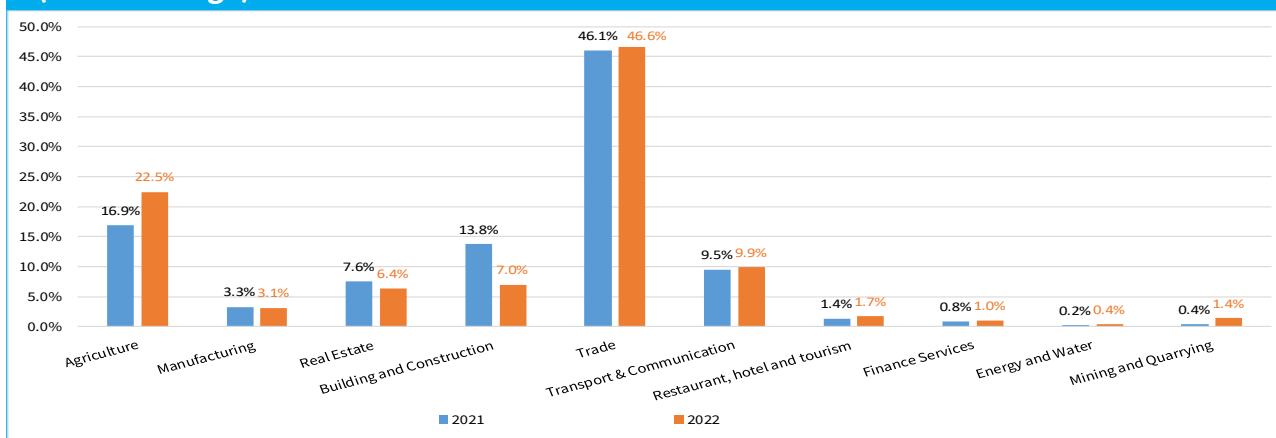
In the medium enterprise category, trade and building and construction sectors received the highest amount of credit from MFBs while the manufacturing, energy and water and mining sectors had the lowest allocation. **Figure 11 (a), (b) and (c)** below present the sectoral distribution of loan approvals by MFBs in 2021 and 2022.

Figure 11(a): Credit to Micro Enterprises to Total Loan Portfolio - MFBs



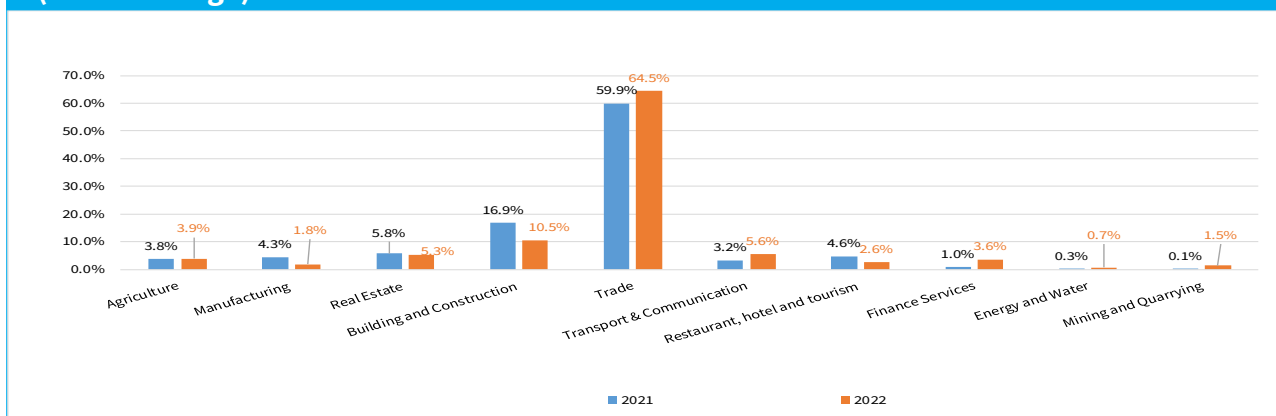
Source: MSME Survey Data, 2022

Figure 11(b): Credit to Small Enterprises to Total Loan Portfolio in 2021-22 – MFBs (in Percentage)



Source: MSME Survey Data, 2022

Figure 11(c): Credit to Medium Enterprises to Total Loan Portfolio in 2021-22 – MFBs (in Percentage)



Source: MSME Survey Data, 2022

9. COVID-19 Pandemic and Its Impact on the Banking Sector

The majority of respondent institutions indicated that the COVID-19 pandemic had a moderate impact on MSMEs' access to finance during the period. Overall, 61 percent of commercial bank respondents rated the pandemic's impact as moderate, 34 percent as high, while 5 percent rated the impact as low. Similarly, 64 percent of respondent MFBs rated the impact as moderate, 21

percent as high and 15 percent as low. According to the responses, the overall impact was varied across all three sizes of enterprise, micro-, small, and medium. For the commercial banks medium enterprises had the highest impact of 39 percent, followed by small and micro enterprises at 32.9 percent and 28.1 percent, respectively. While for the MFBs, the micro enterprises had the highest impact of 36.4 percent, followed by medium enterprises with 33.3 percent, while small enterprises had the least impact of 30.3 percent.

The ratings point to the improved business activities as the economy continued to recover from the COVID-19 pandemic. A summary of respondents'

ratings of the pandemic's impact on MSME's access to finance is presented in **Table 6** below.

Table 6: Impact of the COVID-19 Crisis on Enterprises' Access to Finance

| Institution | Percentage of Respondents Indicating Rating | | | |
|------------------|---|----------|-----|-----------|
| | High | Moderate | Low | Total (%) |
| Commercial Banks | 34 | 61 | 5 | 100 |
| MFBs | 21 | 64 | 15 | 100 |

Source: MSME Survey Data, 2022

9.1 Restructured MSME Loans and Non-Performing Loans (NPLs)

A total of 6,572 MSME loan facilities in the banking industry valued at Ksh.122.5 billion were restructured in 2022. These constituted 0.05 percent of total loan accounts and 3.37 percent of the total value of the gross loan portfolio as at December 2022. The restructuring was largely aimed at enabling borrowers to better manage their credit performance.

By comparison, in 2021, commercial and MFBs restructured a total of 17,381 loan facilities valued at Ksh.139.7 billion. In 2020-2021, restructuring was largely prompted by the adverse impact of the COVID-19 pandemic and sought to cushion affected borrowers by easing debt servicing terms. The reduced number and value of restructured loans in 2022 indicate a steady business recovery by MSMEs.

Table 7 below presents a summary of the total loan accounts and values thereof restructured in 2021 and 2022.

Table 7: Restructured Loans in 2021/22

| | Number of Restructured Loans | | Value of Restructured Loans | |
|-------------------------|------------------------------|--------------|-----------------------------|---------------|
| | 2021 | 2022 | 2021 | 2022 |
| Commercial Banks | | | Ksh Bn | Ksh Bn |
| Micro Enterprises | 10,812 | 3,116 | 6.97 | 5.91 |
| Small Enterprises | 5,382 | 2,257 | 45.04 | 30.2 |
| Medium Enterprises | 1,137 | 1,036 | 87.03 | 85.91 |
| Total | 17,331 | 6,409 | 139.03 | 122.01 |
| MFBs | | | | |
| Micro Enterprises | 122 | 83 | 0 | 0.01 |
| Small Enterprises | 62 | 58 | 0 | 0.05 |
| Medium Enterprises | 21 | 22 | 0 | 0.40 |
| Total - MFBs | 205 | 163 | 0.67 | 0.46 |
| Overall total | 17,536 | 6,572 | 139.70 | 122.47 |

Source: MSME Survey Data, 2022

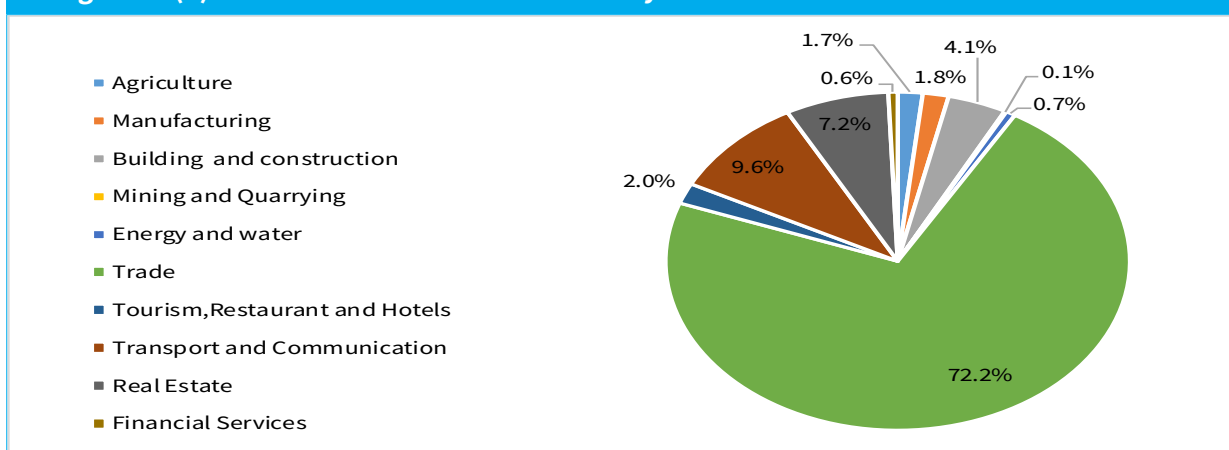
9.2 Restructured Loans (RLs) in 2021 and 2022

The trade sector had the largest share of restructured loans in 2022, accounting for 72.2 percent of the total, while the mining and quarrying sector had the lowest share with 0.1 percent. Others were the transport and communication sector (9.6 percent); real estate (7.2 percent); manufacturing sector (4.1 percent). Other sectors had less than 2.0 percent each. In value terms, the real estate

sector accounted for 47.3 percent of restructured loans followed closely by the trade sector with 22.1 percent, transport and communication sector with 10.0 percent, while the rest of the sectors had less than 10 percent.

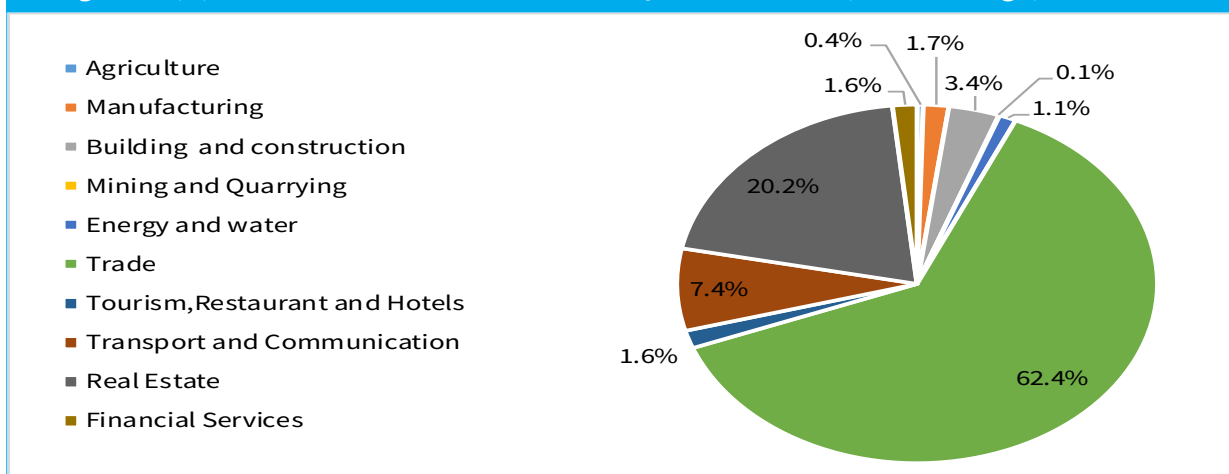
Figures 12(a), (b) and 13(a), (b) below present a sectoral analysis of the numbers and values of restructured loans in both 2021 and 2022. Figures 14 (a) and (b) presents the MFBs numbers and values of the restructured facilities by sector for both years in percentage.

Figure 12(a): Number of Restructured Loans by Sector - 2022-Commercial Banks



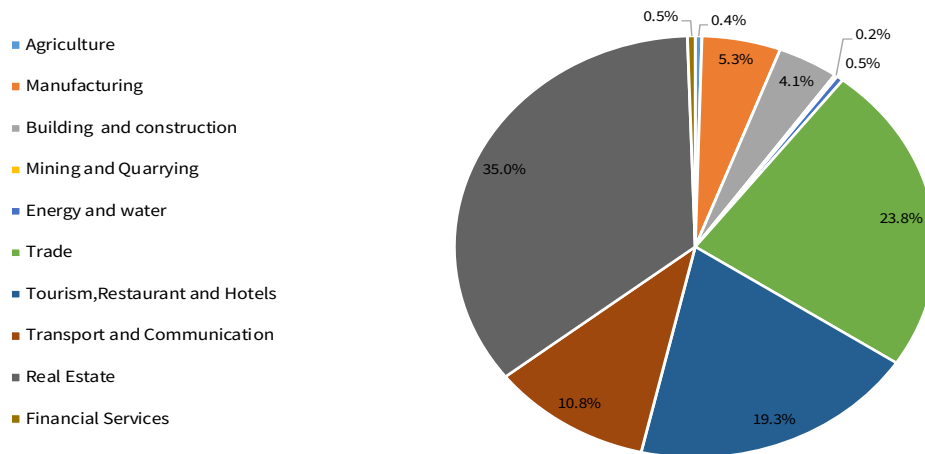
Source: MSME Survey Data, 2022

Figure 12(b): Number of Restructured Loans by Sector - 2021 (in Percentage)



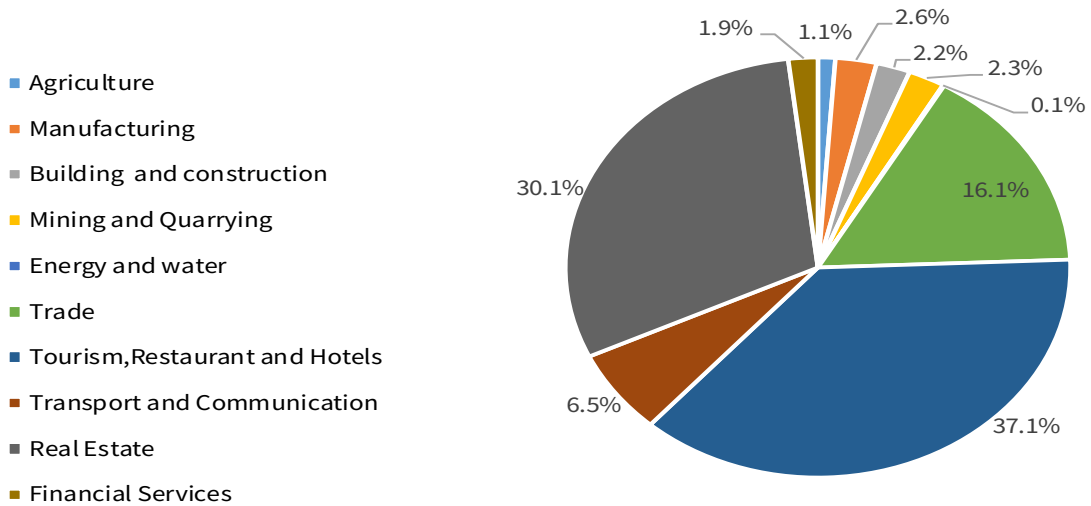
Source: MSME Survey Data, 2022

Figure 13 (a): Value of Restructured Loans by Sector – 2022 (in Percentage)



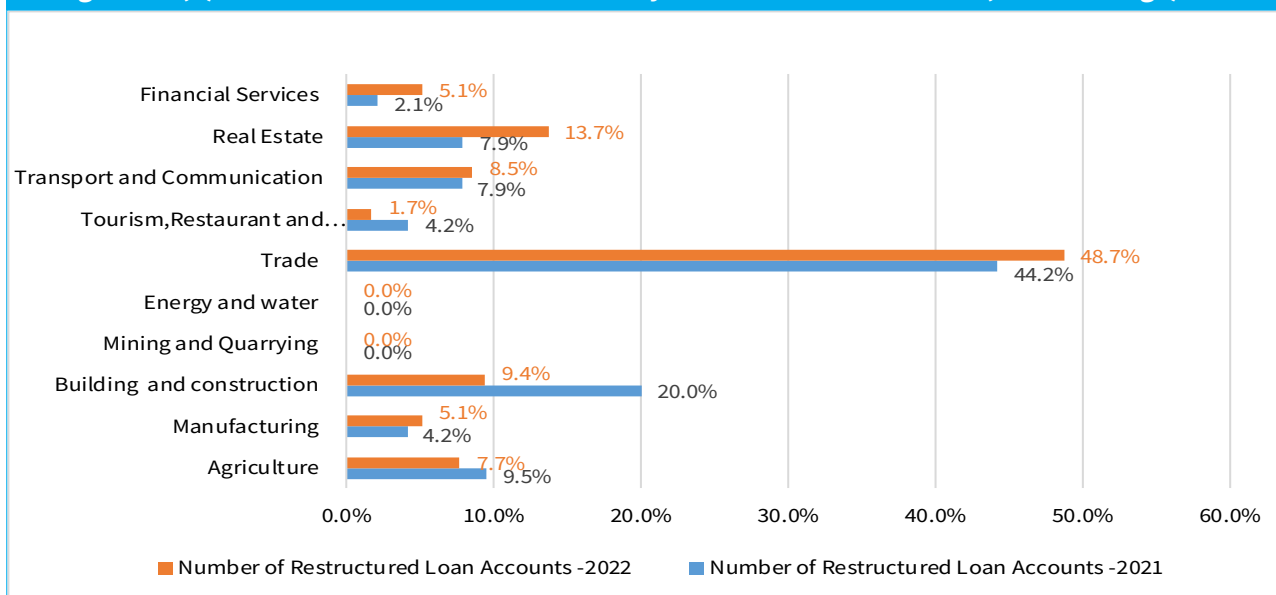
Source: MSME Survey Data, 2022

Figure 13(b): Value of Restructured Loans by Sector - 2021



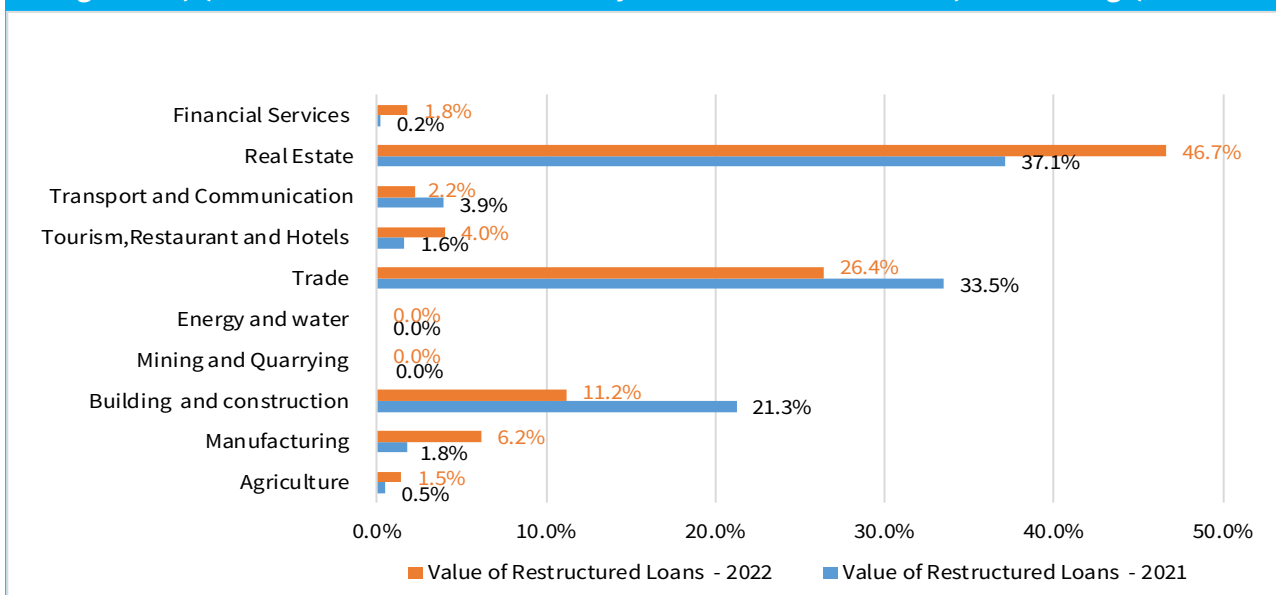
Source: MSME Survey Data, 2022

Figure 14 (a): Number of Restructured Loans by Sector in 2021 and 2022 (in Percentage)



Source: MSME Survey Data, 2022

Figure 14 (b): Value of Restructured Loans by Sector in 2021 and 2022 (in Percentage)



Source: MSME Survey Data, 2022

9.3 Performance of the restructured loans as at December 2022

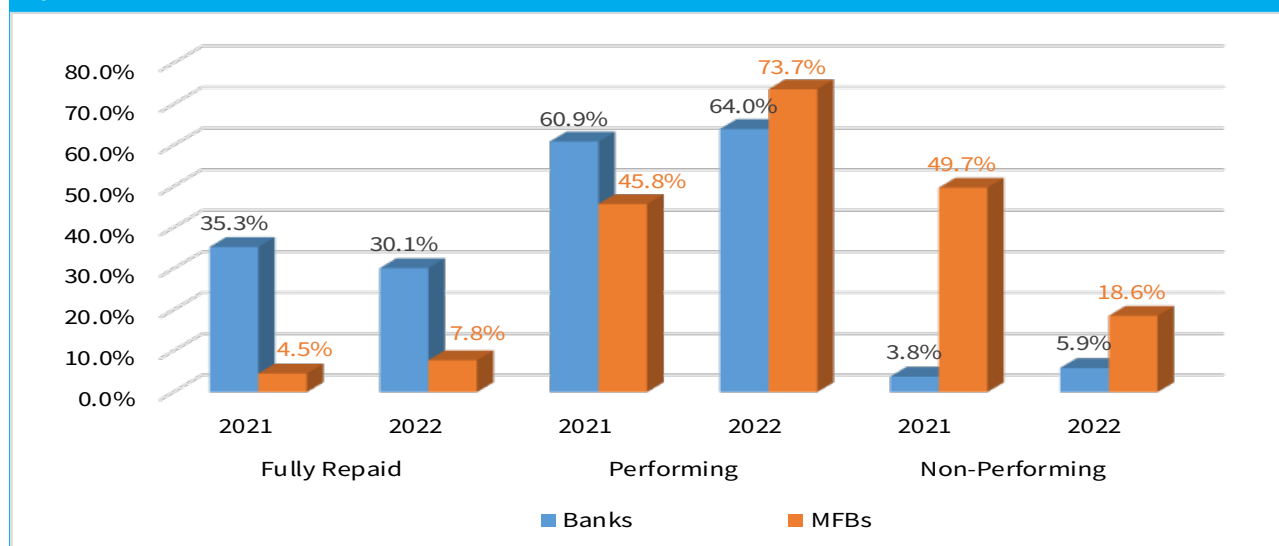
The Survey also sought to establish the performance, as at December 2022, of the loans restructured in 2021 and 2022. Data was sought on the number of restructured loans that were fully repaid as at December 2022, those performing, and those non-performing. Based on the findings, 30.1 percent of restructured loans in commercial banks were fully repaid in 2022, compared to 35.3 percent in the previous year. Of the loans restructured in 2022, 64.0 percent were performing at the end of the year. For restructured loans that were non-performing, 5.9 percent remained non-performing in 2022 compared to 3.8 percent in 2021.

MFBs had only 7.8 percent of the restructured loans were fully repaid in 2022, slightly higher than the 4.5 percent that were fully repaid in 2021. 73.7 percent of the outstanding restructured loans were

performing in 2022, higher than the 45.8 percent recorded in 2021. For the loans restructured in 2021 that were non-performing, 18.6 percent were non-performing in 2022 compared to 49.7 percent in 2021.

The high percentage of performing restructured loans could largely be attributed to improved business activities as the economy continued to recover from the COVID-19 pandemic. As a result, only 3.8 percent and 5.9 percent of restructured loans were non-performing in 2021 and 2022 respectively, signaling partial economic recovery from COVID-19 pandemic, albeit unevenly and for some sectors only gradually. **Figure 15** below highlights the performance of the restructured loans in 2021 and 2022 (in percentage) for both commercial banks and MFBs.

Figure 15: Performance of restructured loans in commercial banks and MFBs - 2021 and 2022



Source: MSME Survey Data, 2022

9.4 Performance of Loans Restructured in 2021 and 2022 per enterprise category

In terms of the performance of restructured loans by the various businesses, both in 2021 and 2022 the highest percentage (38.4 percent and 33.5 percent, respectively) of restructured loans that were fully repaid was in small enterprises. However, in 2022 there was a decrease in the proportion of formerly restructured loans that were fully repaid compared

2021. This is because in 2021, the economy staged a strong recovery, with the economy growing at an estimated 7.5 percent although some sectors, while in 2022 the economic growth decelerated.

In 2021 and 2022, restructured loans held by micro enterprises had the highest level of performance at 81.9 percent and 85.6 percent, respectively. **Table 8 (a)** and **(b)** below present the breakdown of the performance by category of business enterprise.

Table 8(a): Performance of Loans Restructured in 2021-2022 - Banks

| 2021 | Performance of RLs in Percentage - Banks | | |
|--------------------|--|----------------|--------------------|
| | Fully Repaid (%) | Performing (%) | Non-Performing (%) |
| Micro Enterprises | 9.0 | 81.9 | 9.1 |
| Small Enterprises | 38.4 | 56.9 | 4.7 |
| Medium Enterprises | 35.8 | 61.3 | 2.9 |
| Overall | 35.3 | 60.9 | 3.8 |
| 2022 | | | |
| Micro Enterprises | 2.8 | 85.6 | 11.7 |
| Small Enterprises | 33.5 | 59.1 | 7.3 |
| Medium Enterprises | 30.8 | 64.2 | 4.9 |
| Overall | 30.1 | 64.0 | 5.9 |

Source: MSME Survey Data, 2022

For MFBs, in 2022, most of the restructured loans by the various businesses were performing accounting for 89.9 percent, 9.5 percent were non-performing, and 0.6 percent had been fully paid. In terms of performance by the type of enterprise, in 2022

the highest percentage of restructured loans that were fully repaid was in medium enterprises at 8.2 percent, while in 2021 micro enterprises had the highest percentage of 7.5 percent.

| Table 8(b): Performance of Loans Restructured in 2021-2022 – Microfinance Banks | | | |
|--|---|-----------------------|---------------------------|
| 2021 | Performance of RLs in Percentage - Banks | | |
| | Fully Repaid (%) | Performing (%) | Non-Performing (%) |
| Micro Enterprises | 7.5 | 85.8 | 6.6 |
| Small Enterprises | 2.8 | 78.0 | 19.1 |
| Medium Enterprises | 4.6 | 31.9 | 63.4 |
| Overall | 4.5 | 45.8 | 49.7 |
| 2022 | Performance of RLs in Percentage - MFBS | | |
| Micro Enterprises | 0.6 | 89.9 | 9.5 |
| Small Enterprises | 5.2 | 86.1 | 8.7 |
| Medium Enterprises | 8.2 | 71.9 | 19.9 |
| Overall | 7.8 | 73.7 | 18.6 |

Source: MSME Survey Data, 2022

9.5 The Non-Performing Loans within the MSMEs Sector

Of the 1.18 million MSMEs loan accounts in the banking industry as at December 2022, 216,951 accounts valued at Ksh.90.4 billion were classified as non-performing. This amounted to 18.3 percent of total MSME loan accounts and 11.5 percent of the total value of outstanding MSME loans. NPLs in MSMEs also made-up 17.5 percent of total banking

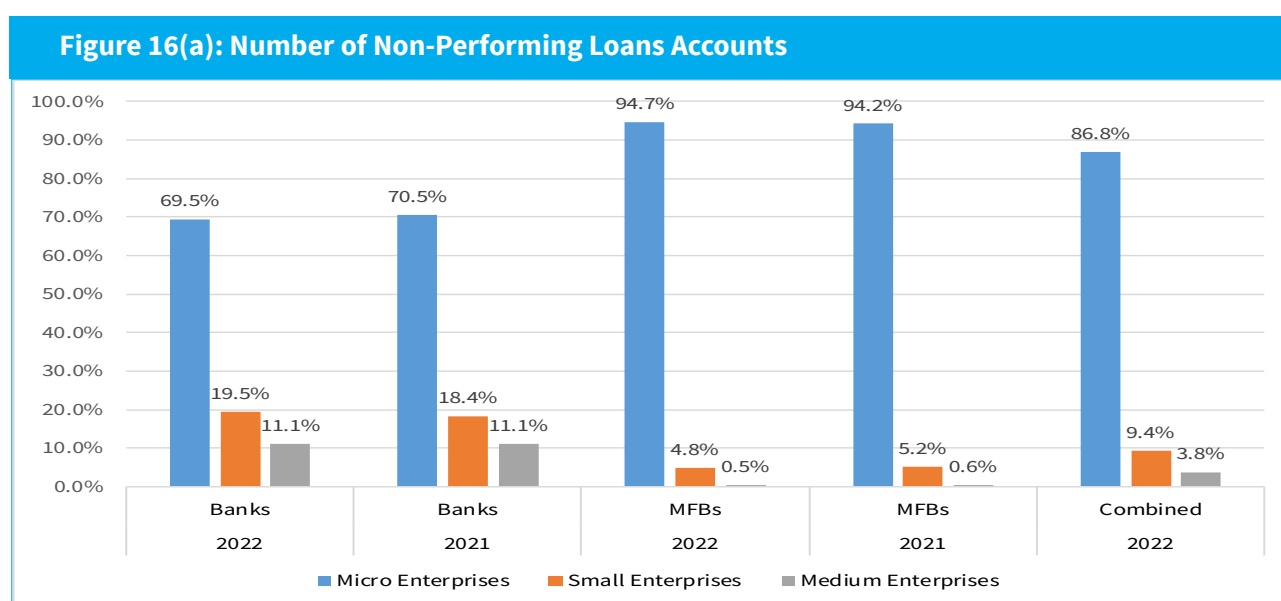
industry NPLs as December 2022 which stood at approximately Ksh.515.7 billion. By comparison, the level of MSME NPLs in December 2020 was relatively higher at Ksh.98.7 billion or 14.6 percent of the overall MSME loan portfolio of 638.2 billion. The 2022 survey, therefore indicated a decrease in value of NPLs, signalling an improved business environment for MSMEs as highlighted in **Table 9** below.

| Table 9: MSME Credit Facilities – Asset Quality | | | | |
|--|--------------------|---------------------------|--|--|
| Year ending Dec | No. of NPLs | Value of MSME NPLs | MSME Deposits/Total Customer Deposits (%) | Value of MSME NPLs / Total NPLs % |
| 2022 | 216,951 | 90.4 | 778.0 | 17.5 |
| 2020 | 204,802 | 98.7 | 638.2 | 14.6 |

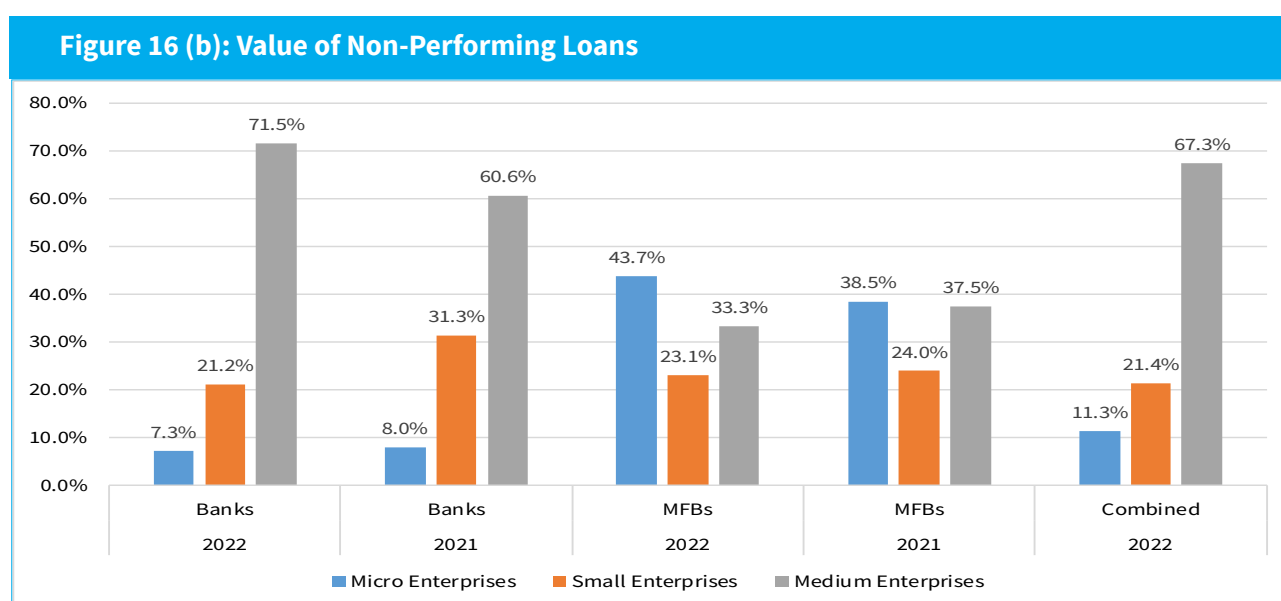
Source: Survey Data

On the distribution of NPLs as at December 2022, micro enterprises accounted for 86.8 percent of the total non-performing loan accounts and 11.3 percent of the value of non-performing loans; small enterprises accounted for 9.4 percent of the total non-performing loan accounts and 21.4 percent of

the value of non-performing loans; while medium enterprises accounted for 3.8 percent of the non-performing loan accounts and 67.3 percent of the value of non-performing loans for MSMEs. **Figure 16 (a) and (b).**



Source: MSME Survey Data, 2022



Source: MSME Survey Data, 2022

9.6 Annual write-off due to non-performing business loans (in 2022) by Commercial Banks and MFBs

The Survey data indicated that, as at December 2022, a total of 18,105 loans valued at Ksh.9.6 billion were written-off, with commercial banks and MFBs writing off Ksh.9.10 billion and Ksh.0.51 billion, respectively. The total accounts written off

constituted 1.5 percent of total MSME loan accounts and 1.2 percent by value. This was an increase compared with 6,253 loans valued at Ksh.2.6 billion from the 2020 survey. Majority of these borrowers were unable to repay their loans due to the adverse effects of COVID-19. **Tables 10 (a)** and **(b)** below present summaries of the numbers and values of NPLs written-off in 2022 by commercial banks and MFBs, respectively.

Table 10(a): Non-performing Business Loans Written-off (In 2022) by Commercial Banks

| | No. of Write-Offs | Value of Write-Offs (Ksh. Million) |
|--------------------|-------------------|------------------------------------|
| Micro Enterprises | 14,624 | 3,403 |
| Small Enterprises | 1,004 | 3,536 |
| Medium Enterprises | 574 | 2,163 |
| Totals | 16,206 | 9,103 |

Source: MSME Survey Data, 2022

Table 10 (b): Non-performing Business Loans Written-off (In 2022) by MFBs

| | No. of Write-Offs | Value of Write-Offs (Ksh. Million) |
|--------------------|-------------------|------------------------------------|
| Micro Enterprises | 1,871 | 372 |
| Small Enterprises | 20 | 52 |
| Medium Enterprises | 8 | 92 |
| Totals | 1,899 | 516 |

Source: MSME Survey Data, 2022

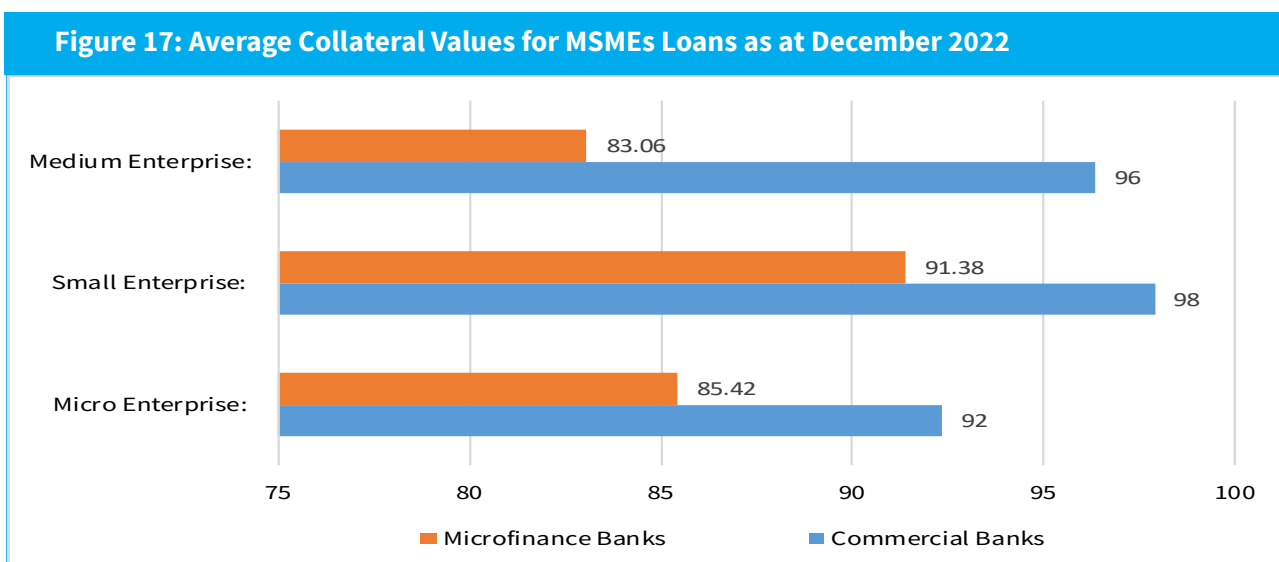
9.7 Debt Recovery Costs in 2022

Once debt recovery measures were instituted to recover non-performing MSME loans, the average cost of recovery, as a percentage of the outstanding loan amount, stood at 7 percent for commercial banks and 13 percent for MFBs. In terms of the average recovery period for MFBs, NPLs in micro enterprises took the shortest duration to recover at 110 days compared to 214 days for small enterprises and 540 days for medium-sized enterprises. In commercial banks, the NPL recovery period averaged 205 days for micro-enterprises, 270 days for small enterprises and 418 days for medium enterprises. The relatively longer duration it took to recover NPLs from small and medium enterprises is attributable to the relatively larger loan sizes held by borrowers in both categories compared to the average size of micro-enterprise loans.

10. Collateral Requirements

Collateral requirements continue to be a major consideration for banks in extending credit to MSMEs in 2022 as was the case in 2020 and 2017.

The responses indicate that lenders require MSMEs in all categories to avail collateral that is of sufficient value to fully or substantially cover the full value of the loan facility requested. **Figure 17** below presents the reported average values of collateral provided by MSMEs in both commercial and MFBs. Reported collateral values for commercial banks average below 100 percent of loan amounts, while those for MFBs average 90 percent. Based on these 2022 findings, there appears to be a slight shift to alternative risk pricing mechanisms, such as internal ratings and credit scores, when assessing the debt repayment capacity of MSMEs.



Source: MSME Survey Data, 2022

11 Conclusion

The MSME credit growth remained relatively slow in 2022 in the wake of COVID-19 pandemic. The COVID-19 pandemic triggered significant disruption, with MSMEs affected by the widespread impacts. Many MSMEs were forced to close their doors, others have been able to continue with operations while suffering significant revenue challenges, resulting in severe liquidity shortages. Despite these, statistics showed there were 27 percent increase in total active MSME loan accounts and 7 percent increase in the cumulative value of the MSME loan portfolio between 2020 and 2022, which is slow compared to the 42 percent increase in total active MSME loan accounts and 54.2 percent increase in the cumulative value of the MSME loan portfolio between 2017 and 2020. The observations bring out the following key themes.

11.1 Product Diversity

The Survey shows the relatively narrow range of credit facilities utilized by MSMEs, centering largely on short-term loans and overdrafts.

Within commercial banks, the term loans and bank overdrafts accounted for over 90 percent of the MSME loan portfolio. While these typical products can be useful to finance short-term needs of MSMEs such as working capital and modest growth, they are available mostly to well-established medium enterprises and exclude small and micro enterprises (start-ups) which may not be able to meet the terms and conditions of the said products. Owing to the high cost of these facilities, they are not appropriate for long-term business developmental needs and do not support growth.

The Survey established that the alternative financing instruments for MSMEs such as contract

financing, performance bonds, invoice discounting, bank guarantees, letters of credit and warehouse receipts only accounted for 10 percent.

11.2 Performance of Restructured Loans

The Survey indicates that a significant proportion of the loans restructured in 2022 (over 90 percent in commercial banks and over 70 percent in MFBs) were performing as at December 2022. Overall performance of restructured loans significantly improved in the period under review, reflecting recovery of the economy from the depressing effects of the pandemic. The Survey indicates that a significant proportion of the loans restructured in 2022 (over 90 percent in commercial banks and over 70 percent in MFBs) were performing as at December 2022. Overall performance of restructured loans significantly improved in the period under review, reflecting recovery of the economy from the depressing effects of the pandemic.

11.3 Collateral Requirements

The Survey indicates that collateral requirements continue to be a major consideration for banks in extending credit to MSMEs, with lenders requiring MSMEs in all categories to post collateral that is of sufficient value to fully or substantially cover the full credit exposure. A majority of MSMEs do not possess the types of assets that are typically accepted by banks as collateral.

Collateral requirements therefore continue to be a major barrier for MSMEs in accessing formal credit. Ongoing reforms such as the strengthening of the moveable assets registry and appropriate security enforcement mechanisms would therefore go a long way in enhancing the bankability of MSMEs among lenders and easing MSMEs' access to credit.

Annex: MSME Survey Respondents

a) Commercial Banks and Mortgage Finance Companies⁵

- 1) Absa Bank Kenya Plc.
- 2) Access Bank (Kenya) Plc.
- 3) African Banking Corporation Limited.
- 4) Bank of Africa Kenya Limited.
- 5) Bank of Baroda (Kenya) Limited.
- 6) Bank of India.
- 7) Citibank N.A. Kenya.
- 8) Consolidated Bank of Kenya Limited.
- 9) Co-operative Bank of Kenya Limited.
- 10) Credit Bank Plc.
- 11) Development Bank of Kenya Limited.
- 12) Diamond Trust Bank Kenya Limited.
- 13) DIB Bank Kenya Limited.
- 14) Ecobank Kenya Limited.
- 15) Equity Bank Kenya Limited
- 16) Family Bank Limited.
- 17) First Community Bank Limited.
- 18) Guaranty Trust Bank (Kenya) Limited.
- 19) Guardian Bank Limited.
- 20) Gulf African Bank Limited.
- 21) Habib Bank A.G Zurich.
- 22) HFC Limited.
- 23) I&M Bank Limited.
- 24) KCB Bank Kenya Limited.
- 25) Kingdom Bank Limited.
- 26) Mayfair CIB Bank Limited.
- 27) Middle East Bank Kenya Limited.
- 28) M-Oriental Bank Limited.
- 29) National Bank of Kenya Limited.
- 30) NCBA Bank Plc.
- 31) Paramount Bank Limited.
- 32) Prime Bank Limited.
- 33) SBM Bank Kenya Limited.
- 34) Sidian Bank Limited.
- 35) Stanbic Bank Kenya Limited.
- 36) Standard Chartered Bank Kenya Limited.
- 37) UBA Kenya Bank Limited.
- 38) Victoria Commercial Bank Limited.

b) Microfinance Banks

- 1) Branch Microfinance Bank Limited.
- 2) Caritas Microfinance Bank Limited.
- 3) Choice Microfinance Bank Limited.
- 4) Daraja Microfinance Bank Limited.
- 5) Faulu Microfinance Bank Limited.
- 6) Kenya Women Microfinance Bank Plc.
- 7) LOLC Microfinance Bank Plc.
- 8) Maisha Microfinance Bank Ltd.
- 9) Muungano Microfinance Bank Plc
- 10) Rafiki Microfinance Bank Limited.
- 11) Salaam Microfinance Bank Limited.
- 12) SMEP Microfinance Bank Limited.
- 13) Sumac Microfinance Bank Limited.
- 14) U & I Microfinance Bank Limited.

⁵Institutions that are either in receivership or liquidation were excluded from the Survey.



Central Bank of Kenya

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