Leveraging on Technology to Serve Savings Groups - A presentation on M-Chama by Postbank Kenya
Postbank Profile

- It is a government savings bank in Kenya
- Legal mandate is to mobilize national savings and inculcate a savings culture amongst Kenyans
- Mainly targets low to middle level income earners
- Has customer base of 1.4M customers and deposit base of 186M USD
- Operates 99 branches and 1029 independent agents covering all counties in Kenya.
Focus on M-Chama

Background.
• Conducted research in 2012
• SG’s faced challenges
  - Security of excess savings
  - Accountability/Transparency
  - Accessibility of formal banking services
  - Perception of banking is ‘for the rich’
  - Charges/fees
Focus on M-Chama

The Product – M-Chama

• A savings platform for groups and individuals within groups

• Supports deposits, withdrawals, balance inquiries, periodical statements, inter account transfers, Pesalink* join and leave groups, request loans, approve loans – all sets of counter transactions

• Has capability of incorporating e-recording in building customer profiles**
Focus on M-Chama

The Product – Mchama Cont’d

- Targets formal and informal SGs
- Operable on all bank channels (Branch, agent and digital)
- All channels adopt the ‘3 padlocks’ system
- We encourage SGs to use mobile channel (USSD)
- Members are notified on any financial transaction in their account
Value Proposition

To Customers (SGs)
• Reduced risk of theft of funds
• Increased savings levels due to confidence in group leadership
• Faster accumulation of assets and capital for investments
• Informed investment decisions due to accessibility of financial information like M-akiba*
• Affordable at 0.5USD

To Postbank
• New market segments
• Increased deposits and new customers
• Reduced customer acquisition costs – 3USD from 5USD
Business Volumes

Numbers

• Number of groups – 1904
• Individual members – 40399
• Group savings – 2.3M USD
• Individual savings – 26.4M USD

Net Product Revenue

• 340,000 USD
Testimonial

REAL LADIES WOMEN GROUP – KISUMU COUNTY IN WESTEN KENYA
We are looking for:

- Partners involved with S.Gs FOR link-up to formal banking
- Partners in developing e-training tools for SGs
- Partners in e-recording and ‘BIG DATA’*
Thank you