



**BANKING
AWARDS
2018**

In
partnership
with



**JUDGING
CRITERIA**

Theme: Recalibrating for new standards

The **Banking Awards 2018**, the 13th annual celebration of the banking sector achievements will be held at the *Radisson Blu Hotel, Nairobi* on **Friday 27th April 2018**. These awards are organized and hosted by Think Business Limited, a strategic research and publishing company specializing in financial sector data and information. Their objective is to encourage **innovation, prudence and stability**, in the banking sector by recognizing, awarding and celebrating exemplary performance in the sector.

Our 2018 project planning process involved holding discussions with industry leaders and players. As such this year's awards categories and judging criteria will not only focus on financial stability and growth of the banks but also on how the banks have embraced **corporate governance best practices, products and systems innovation, education** as well as engaging in **sustainable social projects**. The **Best Bank in Kenya 2018** will be the Bank that best demonstrates the above qualities.

A panel of expert judges drawn from various disciplines shall decide on the winners as per set criteria. The judge's decisions will be informed by analysis of financial information – statutorily published by the banks, coupled with information provided in your entry documents. The panel of judges will contact banks directly for any additional information they might need to help them in the judging process.

PKF Kenya, the 2018 judging process partners, will oversee and audit the entire judging process including the selection of judges and verification of entry documents. The closing date for all entries is **Friday, 16th March 2018**. All entries must be submitted to **judges@thinkbusiness.co.ke**

Note: No physical or late entries will be accepted



Eligibility

Entries are open to all Commercial banks and Micro-Finance (MF) Banks licensed and regulated by the Central Bank of Kenya.

Entries must be for projects that have been implemented within the previous 12 to 18 months.

Each award category has its eligibility criteria. Kindly refer to it to ensure you are entered in the most appropriate categories.

The judges reserve the right to amend the judging criteria, change the maximum allocated score for any criteria, accept or reject entries. Where one entry is submitted jointly by one or more parties, the judges have the authority to assess and determine if the entry was really a joint effort.

Submission Guidelines

- Download the online entry form and fill as indicated, use separate forms for each category.
- Make sure it is clear what individual, department, company (or companies in the case of joint entries), you are entering. You can enter more than one project or program in a category.
- Include a summary of the product/company or individual you are entering for an award.
- Attach supporting documents: on your first page provide a simple covering statement of the story behind the project or program you have entered.
- Each category has its own judging criteria and parameters. Ensure that you provide information for each parameter as indicated in each award category.
- Pay attention to the maximum score awarded for each parameter.
- Attach relevant reference/supporting details including photos, videos as well as customer testimonials where applicable and available.
- If measurable targets were achieved, it is important to provide that evidence, i.e what the target was, if and how it was were achieved.

NB: Entrants are not required to submit financial information statutorily published.

**AWARD CATEGORIES AND JUDGING CRITERIA
SECTION A: OPEN TO ALL COMMERCIAL BANKS**

1. Overall Best Bank in Kenya 2018 [Entries are NOT Required]

The **Best Bank in Kenya 2018** will be the Bank that best demonstrates the following: **Commitment to corporate governance best practices, products and systems innovation, engaging in sustainable corporate social responsibility as well as financial performance.**

From each Tier, all banks are first assessed on the basis of financial soundness. The financial soundness will be determined by 10 different parameters shown in Appendix 2, which measure asset quality, liquidity, earnings and capital adequacy.

Based on their financial performance, the top 5 banks in each of the four tiers will be shortlisted and then requested formally to submit entries for assessment on the Corporate Governance and other Criteria whose parameters are listed below. The Corporate Governance Criteria is as shown in Appendix 1.

Only the Best Bank in Tier 1, Tier 2, Tier 3 and Tier 4 will be eligible to win this The Overall Best Bank in Kenya. These Best Banks in each Tier will be then judged amongst themselves based on their performance in financials, corporate governance and other criteria listed below.

The judges will look at:

Corporate Governance (see Appendix 1 - Prorated 20%)	20%
Financial Criteria (see Appendix 2- Prorated 50%)	50%
Judging Criteria_C. Other criteria	Max. Score
Customer numbers in Kenya	10%
Product offering/ innovation	10%
Customer Satisfaction Survey	20%
The bank with the lowest charges to customers (Based on our Tariff Survey)	10%
Sustainable Corporate Social Responsibility	20%
Technology application	30%
Sub -total	100%
Total (Prorated to 30%)	30%

2. The Best Bank in Tier I [Entries are NOT Required]

Tier I are banks with total assets less in excess of Ksh. 150 Billion. All banks under this category are first assessed on the basis of financial soundness. The financial soundness will be determined by 10 different parameters shown in Appendix 2, which measure asset quality, liquidity, earnings and capital adequacy.

Based on the financial performance top 5 banks will be shortlisted and then formally requested to submit entries for assessment on the Corporate Governance and other Criteria whose parameters are listed below. The Corporate Governance Criteria is as shown in Appendix 1. The Best Bank for this Tier will be the one with the total highest score in Financial Criteria, Corporate Governance and other criteria shown below.

The judges will look at:

JUDGING CRITERIA_A. Corporate Governance (see Appendix 1 – Prorated 20%)	20%
JUDGING CRITERIA_B. Financial Criteria (see Appendix 2- Prorated 50%)	50%
Judging Criteria C . Other criteria	Max. Score
Customer numbers in Kenya	10%
Product offering/ innovation	10%
Customer Satisfaction Survey	20%
The bank with the lowest charges to customers (Based on our Tariff Survey)	10%
Corporate Social Responsibility	20%
Technology application	30%
Sub-total	100%
Total (Prorated to 30%)	30%

3. The Best Bank in Tier II [Entries are NOT Required]

Tier II are banks with total assets less than **Ksh 150 Billion** but more than **Ksh. 50 Billion**. . All banks under this category are first assessed on the basis of financial soundness. The financial soundness will be determined by 10 different parameters shown in Appendix 2, which measure asset quality, liquidity, earnings and capital adequacy.

Based on the financial performance top 5 banks will be shortlisted and then formally requested to submit entries for assessment on the Corporate Governance and other Criteria whose parameters are listed below. The Corporate Governance Criteria is as shown in Appendix 1. The Best Bank for this Tier will be the one with the total highest score in Financial Criteria, Corporate Governance and other criteria shown below.

The judges will look at:

JUDGING CRITERIA_A. Corporate Governance (see Appendix 1 – Prorated 20%)	20%
JUDGING CRITERIA_B. Financial Criteria (see Appendix 2- Prorated 50%)	50%
Judging Criteria C . Other criteria	Max. Score
Customer numbers in Kenya	10%
Product offering/ innovation	10%
Customer Satisfaction Survey	20%
The bank with the lowest charges to customers (Based on our Tariff Survey)	10%
Corporate Social Responsibility	20%
Technology application	30%
Sub-total	100%
Total (Prorated to 30%)	30%

4. The Best Bank in Tier III [Entries are NOT Required]

Tier III are banks with total assets less than **Ksh 50 Billion** but more than **Ksh 15 Billion**. . All banks under this category are first assessed on the basis of financial soundness. The financial soundness will be determined by 10 different parameters shown in Appendix 2, which measure asset quality, liquidity, earnings and capital adequacy.

Based on the financial performance top 5 banks will be shortlisted and then formally requested to submit entries for assessment on the Corporate Governance and other Criteria whose parameters are listed below. The Corporate Governance Criteria is as shown in Appendix 1. The Best Bank for this Tier will be the one with the total highest score in Financial Criteria, Corporate Governance and other criteria shown below.

The judges will look at:

JUDGING CRITERIA_A. Corporate Governance (see Appendix 1 – Prorated 20%)	20%
JUDGING CRITERIA_B. Financial Criteria (see Appendix 2- Prorated 50%)	50%
Judging Criteria C . Other criteria	Max. Score
Customer numbers in Kenya	10%
Product offering/ innovation	10%
Customer Satisfaction Survey	20%
The bank with the lowest charges to customers (Based on our Tariff Survey)	10%
Corporate Social Responsibility	20%
Technology application	30%
Sub-total	100%
Total (Prorated to 30%)	30%

5. The Best Bank in Tier IV [Entries are NOT Required]

Tier IV are banks with total assets less than **Ksh 15 Billion**. . All banks under this category are first assessed on the basis of financial soundness. The financial soundness will be determined by 10 different parameters shown in Appendix 2, which measure asset quality, liquidity, earnings and capital adequacy.

Based on the financial performance top 5 banks will be shortlisted and then formally requested to submit entries for assessment on the Corporate Governance and other Criteria whose parameters are listed below. The Corporate Governance Criteria is as shown in Appendix 1. The Best Bank for this Tier will be the one with the total highest score in Financial Criteria, Corporate Governance and other criteria shown below.

The judges will look at:

JUDGING CRITERIA_A. Corporate Governance (see Appendix 1 – Prorated 20%)	20%
JUDGING CRITERIA_B. Financial Criteria (see Appendix 2- Prorated 50%)	50%
Judging Criteria C . Other criteria	Max. Score
Customer numbers in Kenya	10%
Product offering/ innovation	10%
Customer Satisfaction Survey	20%
The bank with the lowest charges to customers (Based on our Tariff Survey)	10%
Corporate Social Responsibility	20%
Technology application	30%
Sub-total	100%
Total (Prorated to 30%)	30%

6. The bank with the lowest charges for SME / Individuals [No Entries necessary]

A tariff survey on bank tariffs will inform the winners in this category. An index for banks based on the charges levied to their customers. The basis of the rankings will be on three scenarios modeled around the banking activities of three typical customers then assessing how each customer would have been charged for similar transactions by each bank over a twelve month period. The banks will then be ranked from the lowest in charges to the highest. There will be two sub categories for this category

- The bank with the lowest charges for individual customers.
- The bank with the lowest charges for SMEs

7. The Most Customer-centric banks [Entries necessary]

The category looks at the overall customer experience with their banks. A country wide Customer satisfaction survey commissioned by Think Business and conducted by Infotrak Harris, amongst other information derived from entry document will be used to determine the winners.

Judges will be looking at:

	Max. Score
Customer numbers in Kenya	10%
Product offering/ innovation	10%
Customer Satisfaction Survey findings	50%
Bank tariff rates (Based on our Tariff Survey)	10%
Branch distribution in Kenya	10%
Seamless technology and digital applications	10%
Total	100%

8. Best Bank in Mobile Banking [Entries required]

Customers are looking for convenient banking, Mobile banking offers them this opportunity and the bank that will survive the competition is the bank that offers the most effective mobile banking application.

Judges will be looking at:

	Max. Score
Scalability and integration possibilities of technology platform	20%
Service offering on the Mobile Banking platform	15%
Fraud Detection and Prevention measures put in place by the bank	15%
Turnaround time for bank account to Mobile Money Service Provider Account	10%
Turnaround time for bank service queries	10%
Nature of accessibility via different mobile gadgets	10%
Demonstration of ease of registration and usage	10%
Evidence of success in getting customers to use the platform.	10%
Total	100%

9. Best Bank in Internet Banking [Entries required]

Internet Banking has grown tremendously over the years particularly with the middle class and corporate banking clientele. This category will award the best bank in provision of internet banking as an alternative channel to its customers particularly through a website.

Judges will be looking at:

	Max. Score
Scalability and integration possibilities of technology platform	20%
Service offering on the Internet Banking platform	15%
Fraud Detection and Prevention measures put in place by the bank	15%
Turnaround time for 'within bank transfers' and bank account to Mobile Money Service Provider Account transfers	15%
Demonstration of ease of registration and usage	15%
Real time accessibility to account transactions.	10%
Evidence of success in getting customers to use the platform.	10%
Total	100%

10. Best Bank in Agency Banking [Entries required]

Several banks within the region have embraced agency banking as a means to spread their network, moving services closer to the people and easing congestion in their banking halls. The advent of agency banking is already lowering the cost of doing business for many banks. This initiative is therefore worth rewarding. Judges will be looking at:

	Max. Score
Number of agents across the Kenya	15%
Distribution network of agents across Kenya	10%
Percentage of value/ volume of transactions handled by agents	30%
Diversity of services offered through agents	30%
Fraud Detection and Prevention measures put in place by the bank	15%
Total	100%

11. Best Bank in Product Innovation [Entries required]

Entry is open to all products in the banking sector that entrants feel are most innovative. The judges will be looking for breakthrough products developed through cutting edge design, research and development that has redefined the market by improving usability, access and value to the customer.

12. Best Bank in Product Marketing [Entries required]

Here the judges typically assess the product that was presented and delivered most effectively to the market. The winning entry will be that product that offers greater value to the customer based on the core elements of marketing – the bank's pricing model, distribution network, promotional strategy and value addition of the product. Through a survey, bank customers are also asked to state what bank products were effectively sold to them. The team of expert judges then pick the winners from a weighted score which is determined also by the volume of actual business attracted by the marketing process.

	Max. Score
Number of actual subscribers	10%
Value addition of the product to customers	10%
Volume of actual business attracted by the marketing process	20%
Technology application	10%
Customer satisfaction survey-customer feedback	20%
Distribution network and promotional strategy	20%
Total	100%

13. Best Bank in SME Banking [Entries required]

This is open to all banks whose focus is mainly on SME banking. First they are assessed on the basis of their corporate governance practices and financial soundness using the ten key financial ratios that are also used to determine the Best Bank in Kenya with a maximum score of 60% (See Appendix 1 and 2).

JUDGING CRITERIA_A. Corporate Governance (see Appendix 1 - Prorated 30%)	30%
JUDGING CRITERIA_B. Financial Criteria (see Appendix 2- Prorated 30%)	30%

The Judges then subject a shortlist of the top ten, to further scrutiny based on the following weighted scores:

	Max. Score
Customer numbers	5%
Average loan size	5%
Product offering to SME segment	5%
Technology application	5%
Customer satisfaction	15%
How competitive tariff rates are to SME customers (based on our survey)	5%
Total	40%

14. Best Bank in Mortgage Finance [Entries required]

This category is open to banks that have a focus on Mortgage Finance. The judges shall examine:

	Max. Score
The overall size of the mortgage book in 2017	15%
The rate of growth of the mortgage book in 2017	15%
The most competitive mortgage interest rates	15%
The average quality and value of the mortgage book in 2017	15%
The level of innovation of mortgage products offered	20%
The number of new customer accounts and average value of the same	20%
Total	100%

15. Best Bank in Islamic Banking [Entries required]

This is open to all full-fledged Islamic banks and other commercial banks with Islamic banking windows. Under this category, banks are first assessed on the basis of corporate governance and financial soundness (of the Islamic component).

The financial soundness will be determined by 10 different parameters that are used in The Banking Survey rankings, which measure asset quality, liquidity, earnings and capital adequacy.

JUDGING CRITERIA_A. Corporate Governance (see Appendix 1 - Prorated 20%)	20%
JUDGING CRITERIA_B. Financial Criteria (see Appendix 2- Prorated 50%)	50%

The Judges then subject them to further assessment based on the following weighted scores:

	Max. Score
Branch network	10%
Islamic Product offering	20%
Technology application	20%
Growth in customers	10%
Customer satisfaction	10%
How competitive tariff rates are to retail customers (based on our survey)	20%
ATM network	10%
Total	100%
Subtotal Prorated to 30%	30%

Each of these values are assessed and weighted. The scores are then evaluated and the bank, with the best overall score is declared the winner.

16. Best Bank in Asset Finance [Entries required]

This category is open to banks that have a focus on Asset Financing. The judges shall examine:

	Max. Score
The overall size of the asset finance loan book in 2017	10%
The rate of growth of new customer accounts	10%
The average quality and value of the Asset finance loan book in 2017	10%
The diverse types of assets financed	10%
The number of new customer accounts and average value of the same	20%
The rate of growth of the asset book in 2017	20%
The level of innovation of asset Finance products offered	20%
Total	100%

17. Best Bank in Agriculture and Livestock Financing [Entries required]

This category is open to banks that have a focus on Agriculture Financing. The judges shall examine:

	Max. Score
The overall size of the agriculture finance loan book in for the last year	10%
The rate of growth of new customer accounts	10%
The average quality and value of the last year's agriculture finance loan book	10%
The diverse types of agricultural assets financed.	10%
The number of new customer accounts and average value of the same	20%
The rate of growth of the loan book last year	20%
The level of innovation of agriculture Finance products offered	20%
Total	100%

18. Best Bank in Trade financing [Entries required]

This category is open to banks that have a focus on Trade Financing and Trade Financing related products.

The judges shall examine:

	Max. Score
The overall size of the Trade finance loan book in for the last year	10%
The rate of growth of new customer accounts	10%
The average quality and value of the last year's Trade finance loan book	10%
The diverse types of Trade financing products (e.g. LCs etc).	10%
The number of new customer accounts and average value of the same	20%
The rate of growth of the loan book last year	20%
The level of innovation of Trade Finance products offered	20%
Total	100%

19. Best Bank in Retail Banking [Entries required]

This is open to the Tier I banks, because of their lead in customer numbers and deposits. Under this category, banks are first assessed on the basis of corporate governance and financial soundness.

The financial soundness will be determined by 10 different parameters that are used in The Banking Survey rankings, which measure asset quality, liquidity, earnings and capital adequacy.

JUDGING CRITERIA_A. Corporate Governance (see Appendix 1 - Prorated 20%)	20%
JUDGING CRITERIA_B. Financial Criteria (see Appendix 2- Prorated 50%)	50%

From a shortlist of the top ten, the Judges then subject them to further assessment based on the following weighted scores:

	Max. Score
Branch network	10%
Product offering	20%
Technology application	20%
Growth in customers	10%
Customer satisfaction	10%
How competitive tariff rates are to retail customers (based on our survey)	20%
ATM network	10%
Total	100%
Subtotal Prorated to 30%	30%

Each of these values are assessed and weighted. The scores are then evaluated and the bank, with the best overall score is declared the winner.

20. Best Bank in Corporate Banking [Entries are accepted]

Typically, the big companies will only deal with banks that measure up to their needs and quality standards.

The panel of judges looks at the banks most preferred by the top companies listed at the Nairobi Stock Exchange based on market capitalization. The banks are then ranked on the basis of which is the most preferred and how they are rated by their corporate clients.

Additionally, banks are encouraged to send entries highlighting their service to other non-listed but large corporate detailing the following:

- a) List of such corporate with an annual turnover of more than Ksh 10 billion
- b) Period of time that they have been clients of the bank.
- c) Types of corporate banking services offered to or consumed by them.

21. Best Commercial Bank in Micro-Finance [Entries are accepted]

The judges assess the banks with the best focus in Micro finance. This category is open to banks offering micro finance products under the following definitions:

- a) Small loans to the mass market
- b) Informal appraisal of borrowers and investments
- c) Collateral substitutes, such as group guarantees or compulsory savings
- d) largely targets the lower section of the income spectrum.

First they are assessed on the basis of corporate governance and financial soundness (See Appendix 1 and 2). The financial soundness will be determined by 10 different parameters that are used in The Banking Survey rankings, which measure asset quality, liquidity, earnings and capital adequacy.

JUDGING CRITERIA_A. Corporate Governance (see Appendix 1 - Prorated 30%)	30%
JUDGING CRITERIA_B. Financial Criteria (see Appendix 2- Prorated 40%)	40%

The Judges then subject them to further assessment based on the following weighted scores:

	Max. Score
Customer Numbers	10%
Average loan size	10%
Product offering to Micro-Finance segment	20%
Branch network	10%
Technology application	10%
Customer satisfaction	10%
Tariff rates to retail customers	20%
ATM network	10%
Total	100%
Subtotal Prorated to 30%	30%

22. The Most Efficient Bank [No Entries necessary]

This shall basically be determined by the lowest cost income ratio in 2017. This is a financial ratio that looks at what it costs to generate a certain level of income. All the banks are assessed equally regardless of size.

23. Best Recovery Award [Entries are accepted]

The Judges will be looking at the most sustainable turnaround from loss making to profitability. The winner will be the bank that has sustained profitability for at least three years.

	Max. Score
Growth in total assets	20%
Growth in customer deposits	20%
Growth in profits	20%
NPLs ratio.	20%
Efficiency ratio	10%
New branches/ outlets opened.	10%
Total	100%

24. Best bank in sustainable Corporate Social Responsibility [Entries required]

The critical need for corporates to be socially responsible by giving back to society cannot be gainsaid. The objective of this award is to recognize banks that are doing well on this front and to encourage those that have not embraced CSR to do the same. The Judges will be looking at organizations that have adopted a CSR policy and continued commitment to sustainability.

	Max. Score
Existence of a has a vehicle (i.e foundation) through which CSR is undertaken	5%
The level of staff, board and management involvements in the CSR activities	10%
The regional spread (across the country) of the bank's CSR program (s).	15%
The diversity of the CSR programs (i.e. education, health e.t.c)	10%
The levels of innovation of the CSR program (identifying the need)	15%
The motivation and participation of partners, communities	10%
commitment to long-term investment of resources towards the CSR program	15%
A clear measurement of impact and solution of the CSR program(s) community a	20%
Total	100%

25. Best Bank in Digital banking [Entries required]

Digital technology is dramatically changing how banks interact with their customers. Social media is transforming banking relationships in very significant ways, from improving customer service to allowing users to send money to others via online platforms.

SECTION C: INDIVIDUAL RECOGNITIONS

1. Outstanding Young Banker of the year [Entries required]

This is a new category that aims at showcasing tomorrow's pacesetters in the Kenyan banking industry. The entrant should be below 35 years and working in the banking sector. The entrant should have shown the ability to generate new ideas, drive innovation and sustainable growth. Through his or her deeds (actions) the individual should have positively changed the fortunes his/ her institution to the benefit of customers, colleagues, counterparties, communities and the banking sector. Submissions may be sent by the employing institution or by a person other than the entrant.

2. Corporate Banker of the year – [Entries required]

The will be won by a person in the banking sector who has contributed significantly to the growth of a corporate division of a bank by building a formidable corporate clientele, significantly growing the revenue stream from the corporate banking division in 2017.

3. Chief Executive Officer of the year- [Entries required]

This award shall be won by a chief executive in any of the three different tiers deemed by the judges to have made the greatest contribution in the growth of their bank's business in 2017.

Judges Will is looking at:

	Max. Score
The performance of the bank with him/her at the helm.	50%
Bank systems innovation and diversification through his/her leadership	20%
Demonstration of commitment to corporate governance.	20%
Individual service and contribution to growth of the sector	10%
Total	100%

4. Lifetime achievement award in Banking [Entries required]

We invite CEOs of banks to send in nominations for long serving individuals in the banking sector, active, retired or posthumous for considerations for the lifetime achievement in banking.

The individual must have spent at least 20 years in banking and has had an outstanding and lasting contribution to the growth of the sector.

5. Special Judges Awards for Product Innovation [Entries required]

This award is given in recognition of innovative products developed outside the banking sector but which have a major impact on the lives of existing and potential bank customers. The judges will be looking for breakthrough products developed through cutting edge design, research and development that have redefined the market by improving usability, access and value to the customer.

NOTE:

If you have any feedback regarding the award categories and judging criteria, contact us at judges@thinkbusiness.co.ke. You can also visit our website www.thinkbusinessafrica.com

All information contained in the entries and marked confidential will remain so, and will not be released without the permission of the entrant.

Appendix

JUDGING CRITERIA_A. Corporate Governance Parameters	Max. score
STRUCTURE OF THE BOARD	
Age diversity What is the average age of board members?	5%
Academic qualifications - How many board members are graduates or have professional qualifications.	5%
Professional experience - What is the average working experience of the board members?	5%
Professional diversity- How many different professionals are on the board?	5%
Gender - What is the ratio of Female: Male board members	5%
BOARD OPERATIONS AND CONTROLS	
Appointments - Do you have transparent and documented procedures for appointment of new Board members (e.g nomination committee)?	5%
Do you have an induction framework for new board members?	5%
Do you have continuous skills development program?	5%
Performance Do you conduct annual performance evaluation of Board members, (including the CEO and Company Secretary)?	5%
Do you have clear policies and procedures for remunerating the board of directors?	5%
Board Charter - is it periodically reviewed and made public?	5%
Code of Ethics - do you have documented ethical standards and do you ensure it is complied with	5%
How many board meetings do you have in a year (in 2017)?	5%
Do you have a clear guideline on the removal or exit of an existing board director?	5%
Is there a term limit for the board of directors?	5%
BOARD COMMITTEES	
Do you have an Internal Audit committee	5%
Do you have a Risk Management committee	5%
Do you have a Finance and Investment committee	5%
Do you have a Governance committee	5%
How many other board committees relevant or specific to your organization do you have?	5%
Sub total	100%
Sub Total Pro-rated to 30%	30%
JUDGING CRITERIA_B. Financial Criteria	Max. Score
Return on average assets	10%
Return on average core capital	5%
Cost of Funds	5%
Efficiency Ratio (Cost income ratio)	5%
Total non-performing loans to total advances	5%
Total Insider Loans to Core Capital	5 %
Non-performing loans provision to operating income	5%
Core Capital to Total deposits	5%
Quick Assets to Total Liabilities	5%
Total Assets	5%
Pre-tax Profits	5%
Total	60%
Sub Total Pro-rated to 30%	30%

Description of model customers for bank with the lowest charge

model “A” – Individual Customer

Model “A” has been constructed based on the needs of an individual customer who is in salaried employment and has two school going children. Using these two base assumptions, we have projected the minimum banking needs of such an individual as follows:

1. The individual would be best served by maintaining a Personal Current Account.
2. A cheque book would be required for making various payments such as rent and utilities.

We have estimated that such an individual would require two fifty-leaf cheque books per year which translates to approximately eight cheques written out per month.

3. An ATM card for cash withdrawals would be required.

We have projected that the individual that this model is based upon would make a minimum of two cash withdrawals per week or eight in a month.

4. With two children in school, the individual would need to purchase banker’s cheques for payment of school fees.

The current school year consists of three terms. The parent is therefore required to purchase three banker’s cheques annually for each child.

5. Being in salaried employment, the individual would have to pay for the monthly salary processing fee or deposit charged by the bank when the paycheck is transferred to the account.
6. Minimum monthly ledger fees are charged on personal current accounts for a limited number of transactions beyond which a transaction fee is charged for every entry on the bank statement.

The transactions that have been projected for this model fall well within the limit set by the majority of the commercial banks.

The table below illustrates the projected banking needs of the individual – Model “A”

Key Indicators

Product Used	Frequency of use in an average month	Annual Usage
50 Leaf Cheque Book		2
ATM Withdrawals	8	96
Banker’s Cheques for School Fees		6
Salary Deposit / Clearing	1	12
Ledger Fees	1	12

Model “B” – A Small Scale Business Enterprise

“Model B” has been constructed based on the needs of a small scale business with a turnover of less than KSh 5 million per year. We have projected the banking needs of such an enterprise as follows:

1. The customer would be best suited to a Business Current Account.
2. A small scale business enterprise such as this model is based upon would use six cheque books of fifty leafs each in a year. This translates to three hundred cheques or twenty five cheques per month, approximately one cheque written for each working day.
3. The business would need to make at least one large cash – withdrawal per week to for pay wages and trading supplies.
4. The business would also need to pay some of its suppliers by banker’s cheque.
5. Standing orders are usually used to pay for loans and rental of premises.
6. We have estimated that the business would have an average of two transactions going through the bank statement on an average day, one for banking of sales proceeds and another for payments made.
7. The monthly ledger fee is levied by the bank on the Business Current Account.

The table below illustrates the projected banking needs of a small scale business enterprise:

Key Indicators

Product Used	Frequency of use in an average month	Annual Usage
50 Leaf Cheque Book		6
Counter Withdrawals	4	48
Banker’s Cheques	4	48
Standing Order	2	24
Charge Per Transaction	50	600
Ledger Fees	1	12

Model “C” – A Medium Scale Business Enterprise

“Model C” has been constructed based on the needs of a medium scale business with a turnover of less than KSh 500 million per year. We have projected the banking needs of such an enterprise as follows:

1. The customer would be best suited to a Business Current Account.
2. A medium scale business enterprise such as this model is based upon would use one cheque book of fifty leafs each per month. This translates to approximately two cheques written for each working day.
3. The business would need to make at least two large cash – withdrawals per week to for pay wages and trading supplies.
4. The business would also need to pay some of its suppliers by banker’s cheque.
5. Standing orders are usually used to pay for loans and rental of premises.
6. We have estimated that the business would have an average of four transactions going through the bank statement on an average day, for banking of sales proceeds and for payments made.
7. The monthly ledger fee is levied by the bank on the Business Current Account.

The table below illustrates the projected banking needs of a medium scale business enterprise:

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Key Indicators

Product Used	Frequency of use in an average month	Annual Usage
50 Leaf Cheque Book	1	12
Counter Withdrawals	8	96
Banker's Cheques	8	96
Standing Order	8	96
Charge Per Transaction	100	1200
Ledger Fees	1	12