

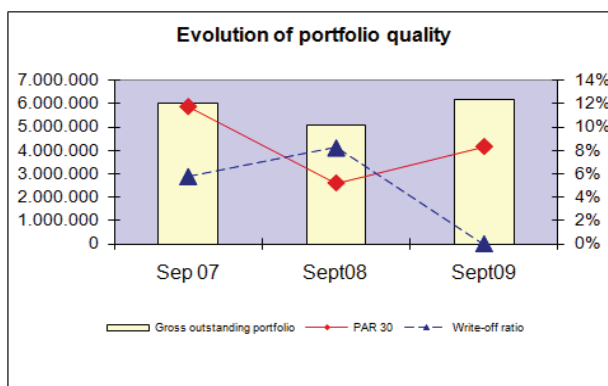
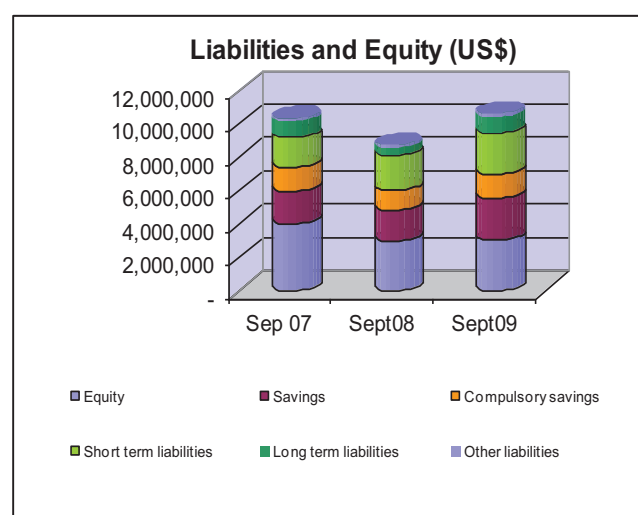
## KADET - Kenya

<b>Final Rating</b>	<b>B-</b>
<b>Outlook: <i>STABLE</i></b>	
<b>First Rating</b>	
<b>Validity</b>	1 year if no relevant changes in operations or within the operation context will happen.

KADET is a Limited Liability Company created in 2001 by World Vision Kenya and registered under the Company Act. Its equity is currently worth US\$ 3 M, with World Vision Kenya still owing its totality. However, since KADET is undergoing a transformation process into a deposit-taking institution, the ownership will need to be revised according to the new Microfinance Act. KADET has a good breadth of outreach, operating through 10 branches and 41 offices nationwide. Through its outstanding portfolio of US\$ 6 M, KADET is serving 17,231 active borrowers mainly represented by small and medium entrepreneurs working in rural and urban areas. The institution finances its operations through concessional and commercial loans (including an overdraft from Standard Chartered Bank) and donations (mainly from WV Kenya, Germany and VFI). By the end of 2010 KADET will receive the deposit-taking license, however the process of transformation, currently undergoing, will last maximum 4 years foreseeing a restructuring of the MFI although maintaining its mission.

Number	Sep 07	Sept08	Sept09
<b>Active borrowers</b>	17,947	15,619	17,231
<b>Active loans</b>	18,115	15,648	17,358
<b>Branches (hubs)</b>	7	8	10
<b>Total staff</b>	152	166	167
<b>Loan officers</b>	97	98	94

Legal Form	Limited liability company
Inception year	2001
Area of intervention	Urban, semi urban, rural
Credit methodology	Group, lending



US\$	Sept09
<b>Average disbursed loan size</b>	539
<b>Gross outstanding portfolio</b>	6,160,965
<b>Total assets</b>	10,589,917

Financial Indicators	Sep 07	Sept08	Sept09
<b>PAR 30</b>	11.8%	5.2%	8.3%
<b>Write-off ratio</b>	5.8%	8.3%	0.0%
<b>Restructured loans</b>	0.0%	0.0%	0.0%
<b>ROE</b>	-24.8%	-61.0%	-31.8%
<b>AROE</b>	-36.6%	-80.4%	-53.0%
<b>Oper. Self-sufficiency (OSS)</b>	59.4%	63.7%	70.6%
<b>Fin. Self-sufficiency (FSS)</b>	52.5%	53.2%	59.0%
<b>Staff productivity (borrow.)</b>	118	94	103
<b>LO productivity (borrow.)</b>	185	159	183
<b>Operating expense ratio</b>	45.1%	48.3%	48.3%
<b>Funding expense ratio</b>	2.6%	3.7%	4.1%
<b>Provision expense ratio</b>	18.1%	8.2%	0.0%
<b>Portfolio yield - accrual</b>	34.5%	33.0%	31.1%
<b>Risk coverage ratio</b>	89.7%	225.8%	112.0%
<b>Cost of funds ratio</b>	9.9%	8.2%	9.0%
<b>Debt/Equity ratio</b>	1.5	1.9	2.5

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