

Co-operative Bank Launches Financial Solutions for the Micro, Small & Medium Enterprises.

Nairobi, 23rd Aug 2018 Co-operative Bank has launched a packaged financial solution for Micro, Small & Medium-sized Enterprises (MSMEs). The financial solution is segmented in bronze, silver and gold for micro, small and medium businesses respectively. Over the past one year, in partnership with the International Finance Corporation (IFC), the Bank has expended a lot of resources, customer engagements and research work to understand the dynamics of this critical business segment. This sector forms the backbone of the Kenyan economy as over 90 per cent of the Kenyan private sector consists of MSMEs; with over 15 million Kenyans employed in either the 1.7 million registered businesses or 7 million unregistered.

According to the World Bank, Kenya's economy is estimated to grow by 5.5% boosted by the manufacturing and tourism sectors in 2018. The government is focused on cutting down spending, reducing borrowing, bringing down the fiscal deficit and raising revenues which will provide a conducive environment for the implementation of the Big Four Agenda of affordable housing, food security, manufacturing and universal health care. Co-operative Bank has committed to align itself with the regulator's requirement of ensuring that a minimum of 20% of its lending goes to the MSME sector. Further to this, in support of the Government's key agenda the Bank will closely support MSMEs who are key in realization of this critical agenda.

Speaking during the launch event, Cooperative Bank Ag. Director Retail & Business Banking, Mr. Arthur Muchangi said, "The MSME customer of today is more exposed to emerging business trends that are both exciting and at the same time volatile; trends that are driven both by local as well as global dynamics. This customer therefore expects adaptive banking solutions. For us to remain relevant and meet the specific needs of this customer, we have had to re-engage, refresh and reposition our offering."

The MSME financial solutions will offer **unsecured business loans**, a first of its kind in Kenya, **E-Credit** through the MCo-op Cash App where businesses will be able to borrow up to **Ksh. 2 million** via their phone, **packaged insurance cover** which are handpicked and specifically negotiated to suit various segments under MSME, revised and **pre-approved limits on overdrafts and loans**, diversified financial solutions to include Letters of Credit, guarantees, supply chain financing among others. The package will also include a range of non-financial services like training programs, tools to build & grow businesses and business exposure trips to emerging markets for the customers.

"We are confident of delivering on this promise to MSMEs as we now have the product, we have the people and most important we have the money. Earlier this year, our partnership with IFC enabled us to access a substantial **Sh15.2 billion** kitty for on-lending to Kenyan MSMEs," concluded Mr. Muchangi.

Further to this the bank has trained its staff at the branches to effectively handle the MSMEs. The staff will be able to identify the different needs customers have and correctly match them to relevant financial solutions. Following the launch, the Bank will hold clinics in various areas to engage micro enterprises and host networking forums for the SMEs, training them on strategies to grow their businesses.

The vision for the new MSME offering from Coop Bank is to grow world class entrepreneurs beyond the Kenyan borders.

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