

Co-operative Bank Rolls-out MSME Forums to the Counties, starting with Nakuru

Nairobi, Friday 8th March 2019 ... Co-operative Bank has kicked-off a countrywide campaign of engaging Micro, Small & Medium-sized Enterprises (MSMEs) in the counties, beginning with Nakuru County. The forums focus on training and equipping business clients with the skills and strategies to grow their businesses in the changing operating environment in the economy.

These forums are part of the US\$150 million (Sh15.2 Billion) partnership program between Co-op Bank and the International Finance Corporation (IFC) launched in mid-2018 to provide **Affordable Financing** and **Business Training** to Kenyan MSMEs.

In partnership with IFC, Co-op Bank has expended substantial resources on customer engagement and research work to understand the dynamics of this critical business segment. The MSMEs are the bedrock of wealth creation in Kenya as they account for over 90 per cent of Kenya's private sector, employing over 15 million Kenyans in both the 1.7 million registered and 7 million unregistered businesses.

Speaking during the Nakuru County MSME Customer Networking Forum at the Sarova Woodlands, Nakuru today, the Head of Business Banking at Cooperative Bank, Mr Moses Gitau said,

*"In 2017 the Bank decided to revamp our MSME offering, ensuring we are flexible to meet the ever changing business needs. We have made available the Sh15.2 billion kitty for a package of loans that include an **unsecured business loan**, a first of its kind in Kenya, **E-Credit** through our MCo-opCash App where businesses are able to borrow up to **Ksh. 2 million** via their mobile 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**. **The loans will be supported by trade services that include** Letters of Credit, guarantees, supply chain financing, among others."*

Speaking on key learnings from his entrepreneurship journey, David Kahura of Lanet Flour Mills said,

"There is need for business people to have a hands-on approach to their business, training is key; always seek to better yourself, know how the industry works, understand government regulations especially the ever changing quality requirements and most importantly get a good financial partner who can walk the journey with you, one who understands your needs."

Following the networking forum, Ms Loise Ngugi of Gold Front Ltd, one of the panellists said,

"My experience on the ground aligns with trends shared by the bank; the under-40 customers are the ones who control the market and as entrepreneurs we need to keep up with the trends."

The Customer Networking Forums are a key part of Co-op Bank's MSME program as it is widely acknowledged that MSMEs need the insights and training on economic matters that have a direct bearing on their business, and which they have little or no control over.

The forums will be held across the country, and feature a detailed presentation by the bank economist on the opportunities in and out of the country that MSMEs can tap into and the ways the bank is working to enable customers to seize them. This is followed by a panel discussion with bank representatives and successful entrepreneurs, concluding with a networking session.

In line with the Bank's efforts to build a strong offering for the MSMEs and their customers in general, Co-operative Bank recently launched a partnership with Isuzu East Africa Ltd that offers an affordable means of purchasing Isuzu vehicles that are very popular with MSMEs. Through the partnership, customers will get upto 95% financing to purchase the vehicle of their choice, and be allowed a whole two months to use the vehicle before they begin repaying the loan. This will give customers the space to generate cash to service the loan, which is to be repaid over an extended period of five years.

For those Isuzu customers who also wish to boost the working capital of their business, an additional loan of Ksh 300,000 to be repaid in 12 months will be provided. A comprehensive insurance package priced at 4.75% of vehicle value (that includes Political Violence & Terrorism) and Insurance Premium Finance is also available to allow customers pay insurance premiums in easy instalments.

To effectively engage this target the bank has trained its staff at the branches to identify the different needs customers have and correctly match them to relevant financial solutions. The vision for the Bank's MSME offering is to grow world-class entrepreneurs beyond the Kenyan borders.

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