

## CO-OP BANK SECURES US\$75 MILLION (SH 8.25 BN) MSME FINANCING FROM IFC

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The Co-operative Bank of Kenya has secured a long-term financing facility arranged by the International Finance Corporation (IFC) amounting to US\$ 75 million (Sh 8.25 Billion) for on-lending to MSMEs at affordable terms. The long-term loan has a tenure of 7 years, coming in as Tier II Supplementary Capital.

Co-op Bank will apply the proceeds to of the facility to support customers to better cope with the disruptions brought about by the pandemic.

Specifically, the facility is intended to support customers operating in the following key business areas;

- Micro, Small Medium Enterprises (MSMEs),
- Businesses undertaking Climate Smart Projects, including Agricultural inputs and sustainable agricultural practices, Renewable Energy, Energy Efficiency and related areas.

Commenting upon the signing of the loan agreement, Co-op Bank Group Managing Director & CEO Dr. Gideon Muriuki said, “The funding has come at a most opportune time as it boosts our ability to better support our MSME customers to stabilise and turn-around their businesses to meet the challenges brought about by the pandemic.”

Co-op Bank has leveraged its strong balance sheet with total assets at over Sh 510 Billion (as at 30 September 2020) and the IFC facility will substantially enhance the bank’s opportunities for growth and overall performance as here under;

1. Support the key MSME business customers to not only survive the pandemic but also to remain operational and viable for the long term.
2. Enhance the bank’s assets and liability match, with long-term loans to customers being financed using the long-term debt.
3. Diversify the bank’s asset and funding portfolio by increasing long-term funding to support deposits funding.
4. Boost the bank’s competitive position on account of affordable lending.

The key IFC facility comes in handy especially at this time as the bank is implementing mitigating strategies to help customers ride out the ravages of the pandemic.

Co-op Bank remains confident that the strategic initiatives that have been put in place focused on resilience and growth will give the business the impetus for sustained growth.

SIGNED

**Dr. Gideon Muriuki - CBS, MBS**  
**Group Managing Director & CEO**

18<sup>th</sup> January 2021