

ABC Bank partners with Fortune Sacco to streamline product offering to Kirinyaga residents



Nairobi, 20th February 2014. ABC Bank has partnered with Kirinyaga-based Fortune Sacco in an effort to boost the county's economic growth through offering residents a wider range of financial services to the county residents. The deal that will also empower the youth and women to participate in government tenders was signed under the auspices of the Kirinyaga County government.

The partnership will allow Fortune Sacco, through the ABC Bank Platform Account, to overcome a regulatory obstacle to begin issuing cheques to its members through ABC Bank who will as a result, provide the Sacco members access to the national payments system, which will increase ease of transactions and improve efficiency of doing business.

Sacco members will also enjoy trade finance facilities such as bid bonds and performance guarantees which are requirements for participation in government procurement. These services will be available to members effective April 2, 2014.

Saccos and other micro-finance institutions are not allowed by law to provide trade finance instruments such as bid bonds, performance bonds, and foreign currency transactions. They are also not part of the clearing house, thus have no access to the national payment system.

The ABC Bank Platform Account is a unique solution targeting Saccos and is part of the bank's plan to roll out a range of innovative products that will facilitate the Sacco industry to offer a wider range of services and make them more competitive.

"This solution is part of ABC Bank's focus to provide more relevant financial services to the MSMEs who are key drivers of the economy, especially given the devolution system of government," said ABC Bank Group Managing Director Mr. Shamaz Savani during the signing ceremony witnessed by the Kirinyaga County Governor Joseph Ndathi.

Mr. Savani added: "ABC Bank views Saccos and microfinance institutions not as competition, but as partners, hence the reason for this partnership through which ABC Bank seeks to provide Fortune Sacco with a platform that allows it to optimize its input in the economy. We are grateful to note that Saccos and MFIs have embraced our solution and no longer see us as competition. We are partners working together to ensure that Saccos meet the demands of their customers, a one-stop shop and optimize their input in the economy." The partnership is part of ABC Bank's efforts to boost the cooperative sector's competitive advantage to best achieve their business goals, and to offer a seamless, convenient and comprehensive financial services experience to their customers.

"Access to credit is a key driver of economic growth, and we at ABC Bank are committed to availing it to as many Kenyans as possible through similar partnerships. This solution is in line with ABC Bank's focus of offering complete and undisputed financial solutions to our customers, whether individual, Small and Medium Enterprises (SMEs) or corporate," noted Mr. Savani.

The National Assembly last week begun the process of anchoring into law a government directive that 30 per cent of all public procurement be set aside for youth, women and persons with disability. This partnership will see youth-run enterprises in Kirinyaga County obtain capital to grow and expand their operations, leading to more employment opportunities and wealth creation.

"We are now able to satisfy the demands of our members who have historically maintained multiple accounts to enable them access all the services they need under one roof. We will also aggressively pursue new markets and opportunities which have been created for youth and women in our county" said Fortune Sacco CEO Mr. Amos Kimotho.

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Mr. Kimotho added: “Judging by the ever increasing demand for homegrown financial solutions in this county, this partnership will enable Fortune Sacco midwife the success of many enterprises. By reason of our enduring commitment to meet the varied customer needs, Fortune Sacco has naturally tailored its value offering services and products that satisfy market expectation,” added Fortune Sacco CEO Amos Kimotho.

Fortune Sacco has 10 branches spread across the county, serving close to 70,000 members with a share capital of Kes 141.5 million.

Kirinyaga County Governor Joseph Ndathi noted that the county is an attractive investment destination owing to its favourable climate conducive for a variety of agricultural activities, and its proximity to Mount Kenya which is a major tourist attraction.

“My government is keen on encouraging our local people to take advantage of these opportunities so as to be the first beneficiaries of an investor-friendly environment that we have created. I also challenge our agri-pre-neurs to invest in value-addition to reap more returns for their produce” said Governor Ndathi.