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JOINT PRESS RELEASE : Jamii Bora Bank and East African Cables

JAMII BORA BANK TO FINANCE EAST AFRICAN CABLES CUSTOMERS.

Kenya's fastest growing bank, Jamii Bora Bank PLC, and leading regional cables manufacturer, East African Cables PLC, today signed a memorandum of understanding that will see the bank provide pre and post-delivery credit facilities to cable customers supplying to Government tenders, utilities (REA, KPLC) and projects especially those that fall under the government's 30% initiative to the Youth, Women and Persons with Disability.

According to the memorandum which was signed by the Chief Executive of Jamii Bora Bank (JBBL), Sam Kimani, and the Chief Operating Officer of East African Cables PLC (EAC), John Mugo, EAC will deliver the finished products to the cable customers on condition that JBBL issues a letter of undertaking to pay for the cost of the cables directly to the manufacturer. "This is part of our trade finance offering whose key objective is to ensure availability of working capital to businesses in order to ease the financial burden on small and medium enterprises. Suppliers and distributors of cables are an important target market for us as they operate with limited financial resources," said Kimani.

JBBL will issue the letter of undertaking upon delivery of products and on confirmation and acceptance of the goods by the buying entity. "This partnership will enable our customers to grow their businesses in a consistent manner even as they await payment from their end-buyers by utilising working capital financing from Jamii Bora Bank," said Mugo.

Further, the MOU requires EAC to open an account at JBBL into which proceeds of the transactions shall be deposited. "This will make it easier for us to pay EAC monies accruing from the sale of cables to distributors and suppliers under this arrangement," added Kimani.

JBBL will also provide post-delivery lending covering working capital for a period of 90 days pending payment from buyers. There will also be LPO/Contract financing for a maximum of 120 days. "This credit facilities will be subject to regulatory guidelines and our own due diligence and lending policy," said Kimani. The arrangement comes into effect immediately. --Ends--

ABOUT JAMII BORA BANK

Jamii Bora is Kenya's fastest growing Bank, with a dedicated customer base of over 300,000 and 34 outlets countrywide. Since December 2010, the Bank's core capital has grown stand at KShs1.4 billion, and has plans to increase that by a further KShs1 billion 2015 to support growth.

In a move to diversify funding and stabilise its balance sheet the Bank successfully issued a Corporate Bond offer via private placement of KShs1 billion 5-year tenure bond, priced at 13.3% per annum which was oversubscribed by 2%. This also enabled the Bank to finance its continued penetration into the micro enterprise & housing sector and the underserved SME market with new products and services.

ABOUT EAST AFRICAN CABLES

East African Cables (EAC) is a leading electrical cables and conductors manufacturer in East and Central Africa. Incorporated in 1966, EAC is quoted in the Nairobi Securities Exchange with its head office in Nairobi's Industrial Area. The company has 2 manufacturing facilities in Nairobi, Kenya and one in Dar-es-Salaam, Tanzania.

Products manufactured by East African Cables include low voltage Copper electrical cables for domestic and industrial use, Aluminium conductors and cables for power transmission and distribution. EAC has consistently kept with technological advancement being the first in the region to start manufacturing Aerial Bundled Conductors (ABC), Halogen Free Fire Retardant Cables (HFFR) as well as insulating cables using Cross Linked Polyethylene (XLPE).

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