



## **PRESS RELEASE**

### **CBK LICENCES THE SECOND DEPOSIT TAKING MICROFINANCE INSTITUTION – KENYA WOMEN FINANCE TRUST DEPOSIT TAKING MICROFINANCE LIMITED**

The Central Bank of Kenya (CBK) has granted a licence to Kenya Women Finance Trust Deposit Taking Microfinance Limited (KWFT DTM) to carry out nationwide deposit-taking microfinance business. KWFT DTM becomes the second nationwide deposit taking microfinance institution to be licensed after Faulu Kenya Deposit Taking Microfinance Ltd (Faulu Kenya DTM), which was licensed in May 2009. The Licence has been issued pursuant to Section 6(1) of the Microfinance Act and Regulation 5(3) of the Microfinance (Deposit-Taking Microfinance Institutions) Regulations, 2008.

The licensing of KWFT DTM marks a major milestone in the microfinance sector and the financial sector at large. In particular, it is a major achievement for the women of Kenya given that KWFT DTM currently provides credit to over 334,000 women clients. The transformation to a deposit-taking microfinance institution will enable KWFT DTM diversify and increase its products range to offer savings products to its clients in addition to the loan products.

Since the Microfinance Act and its attendant regulations came into effect on 2<sup>nd</sup> May 2008, the Central Bank has in total approved thirty four (34) business names, which is the first step in the licensing process. In addition to the two that have been licensed one applicant has been issued with a letter of intent (approval in principle), while seven (7) other licence applications are at various stages of review and appraisal by the Central Bank.

Regulation of the microfinance sector brings with it the overarching benefit of instilling public confidence in microfinance institutions. This is a necessary prerequisite for moving the microfinance sector to new frontiers of financial reach through mobilization and intermediation of public deposits. It is also important to note that the depositors of licensed deposit taking microfinance institutions are protected by the Deposit Protection Fund Board (DPFB). The DPFB will protect deposits held by licensed Deposit Taking Microfinance Institutions (DTMs). This is an important safety net for depositors that will enhance their confidence in licensed DTMs.

The Central Bank takes this opportunity to underscore, the important role of the microfinance industry and assures the industry and all players of its continued support in the development of the microfinance industry. The Bank will play this role through development of policies, procedures, as well as innovative solutions to the benefit of the financially underserved and unserved segments of the Kenyan populace.

**CENTRAL BANK OF KENYA**

**APRIL 6, 2010**