



PRESS RELEASE

CBK LICENSES THE SEVENTH DEPOSIT TAKING MICROFINANCE INSTITUTION – CENTURY DEPOSIT TAKING MICROFINANCE LIMITED

The Central Bank of Kenya (CBK) has granted a licence to Century Deposit Taking Microfinance Limited to carry out nationwide deposit-taking microfinance business. The licence has been issued pursuant to Section 6 (1) of the Microfinance Act, 2006 and Regulation 5 (3) of the Microfinance (Deposit-Taking Microfinance Institutions) Regulations, 2008. Century Deposit Taking Microfinance Limited becomes the seventh deposit taking microfinance institution (DTM) to be licensed following the licensing of five nationwide DTMs and one community-based DTM. Century's shareholding is pre-dominantly held by local Kenyan individual and corporate entities.

Century Deposit Taking Microfinance Limited has set up its head office and branch in Gikomba in Nairobi. The DTMs primary focus is agricultural finance and, in this regard, the DTM intends to target small holder agricultural farmers by offering agriculture-based credit and savings products. The DTM will also provide financial services to the micro, small and medium enterprises (MSMEs) that serve the farmers, as suppliers and buyers.

While majority of the Kenyan populace resides in rural areas, Kenya's economy, like most African countries, is largely an agriculture based economy. Boosting agriculture will require expanding access to financial services in rural areas and provision of agricultural finance is thus very critical.

Given that agricultural lending portends higher risks, a well coordinated value chain financing approach is vital to minimise risks (non-insured risks), like price volatility, associated with agricultural finance. Century Deposit Taking Microfinance Limited, therefore, will adopt a value chain approach to lending in four stages: preparatory, pre-harvest, post-harvest and processing stages.

The licensing of Century Deposit Taking Microfinance Ltd to focus on agricultural finance as its niche reiterates the Central Bank's commitment to the development of an all inclusive financial system. Indeed, the growth of the microfinance industry will remain at the core of CBKs mandate to enhance financial inclusion and promoting economic growth in Kenya in line with the country's economic blue print, Vision 2030.

CENTRAL BANK OF KENYA

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