



PRESS RELEASE

CBK LICENSES THE TENTH MICROFINANCE BANK – DARAJA MICROFINANCE BANK LIMITED

The Central Bank of Kenya (CBK) has granted a licence to Daraja Microfinance Bank Limited (hereafter referred to as Daraja MFB) to carry out community microfinance banking business. The licence has been issued pursuant to Section 6 (1) of the Microfinance Act, 2006 and Regulation 5 (3) of the Microfinance Regulations, 2008. Daraja MFB becomes the tenth microfinance bank (MFB) to be licensed following the licensing of seven nationwide MFBs (Faulu Kenya MFB, Kenya Women MFB, SMEP MFB, REMU MFB, Rafiki MFB, Century MFB and SUMAC MFB) and two community-based MFB (Uwezo MFB and U&I MFB).

Daraja MFB is a Kenyan owned company limited by shares and intends to operate within the Dagoretti Division, Nairobi County. The MFB has set up its head office and branch on Karandini Road, off Naivasha Road, Dagoretti, Nairobi County. The MFBs target market is the Micro and Small Enterprises (MSEs), and their owners and employees who reside or operate businesses in Dagoretti. Daraja MFB will also target salaried individuals and will offer them security free loans that will be deducted through the check off system.

Micro, small and medium enterprises (MSMEs), which represent over 90% of private business and contribute to more than 50% of employment and of GDP in most African countries, still remain a critical part of the economy¹. These enterprises provide employment opportunities and contribute to economic growth and sustainable development. Nevertheless, they face a number of challenges, including access to finance, which is often considered to be their most significant challenge. The Central Bank has thus been in forefront in developing an all-inclusive financial system that reduces the impediments to accessing finance, including for MSEs. Further, the Central Bank has initiated, and will continually support, reforms to develop effective legal, regulatory and supervisory frameworks that support innovations to enhance the development of MSE financing and growth.

Indeed, the entry of Daraja Microfinance Bank Limited into the formal financial sector will encourage innovation, competition and increased outreach in enhancing broad-based financial inclusion for the Kenyan populace, particularly the low income and MSEs.

CENTRAL BANK OF KENYA
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¹ <http://www.afdb.org/en/topics-and-sectors/sectors/private-sector/activities/>